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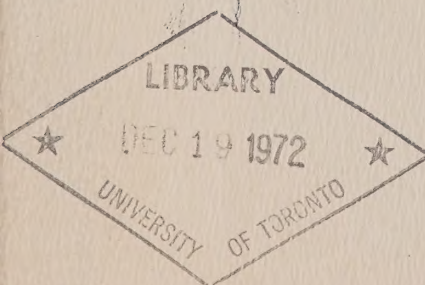
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THE WORKMEN'S COMPENSATION BOARD, ONTARIO

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ANNUAL REPORT

1971





*Artist Eric Nasmith used a collage technique
in a photo-abstract style to emphasize the
human element in a modern and complex
industrial society*





Annual Report 1971

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General Review for 1971

Introduction

The Workmen's Compensation Board, Ontario,
Head Office,
90 Harbour Street, Toronto 117, Ontario.

To His Honour
The Lieutenant-Governor:

The Workmen's Compensation Board is pleased to present this Annual Report for 1971, its 57th year of operations.

For the second consecutive year, the number of incidents reported to the Board as work injuries showed a decline over the previous year. The decline was 2.7 per cent. Prior to 1970, the Board's claims activities had reached record heights for each of the eight preceding years.

As always, labour, industry and the treating professions provided full cooperation to the Board and we acknowledge their assistance with thanks.

General Statistics

A total of 141,057 firms were assessed \$139,144,482 last year, on a total payroll of \$11,645,175,000. The lowest rate of assessment was 15 cents per hundred dollars of assessable payroll, and the highest was \$13.00.

There were 366,830 incidents reported as work injuries during 1971, and benefits and pensions amounted to more than \$137 million.

Admissions to the Board's Rehabilitation Centre at Downsview were 5,534 during 1971.

Summary of Operations

	1971	1970
Payroll upon which assessments during year based	\$11,645,175,000.00	\$11,696,264,000.00
Incidents reported as work injuries	366,830	373,133
Benefits awarded under the Act:		
Schedule I Medical Aid	\$ 31,042,067.81	\$ 31,529,526.74
Schedule I Compensation — Not Pensions	62,692,680.75	58,050,507.67
Schedule I Compensation — Pensions	<u>28,750,278.37</u>	<u>28,150,028.39</u>
Total Schedule I Awards	<u>\$ 122,485,026.93</u>	<u>\$ 117,730,062.80</u>
Schedule 2 Medical Aid	\$ 3,652,352.38	\$ 3,656,884.51
Schedule 2 Compensation — Not Pensions	7,468,060.58	6,726,738.11
Schedule 2 Compensation — Pensions	<u>3,570,437.50</u>	<u>3,299,272.43</u>
Total Schedule 2 Awards	<u>\$ 14,690,850.46</u>	<u>\$ 13,682,895.05</u>
TOTAL AWARDS BOTH SCHEDULES	<u><u>\$ 137,175,877.39</u></u>	<u><u>\$ 131,412,957.85</u></u>
Firms covered under Schedule 1 of the Act	141,057	138,886

Claims

Last year the Claims Department handled 366,830 new claims. Almost 37 per cent of these (134,635) were for payment of compensation, when the injury resulted in lost time beyond the day of injury, and 63 per cent (230,049) were for medical aid only — relatively minor injuries that required medical attention but did not result in time off work beyond the day of injury. The number of fatal claims reported was 361.

Pensions were awarded to 6,541 workmen with permanent disabilities, and 926 pension awards were increased on review.

Staff of the Claims Department last year participated in 63 speaking engagements, including seminars, to explain to employers, labour groups, trade and business associations, community colleges, high schools and nursing groups, the claims procedures and the benefits provided by the Act.

In order to deal with some 1,500 new claims every day, claims officers must be knowledgeable and possess a variety of skills. Following their intensive initial training, upgrading programs are conducted on a regular basis. These deal with an understanding of injury and incapacity, conduct of field enquiries, interviewing procedures, evaluation and effects of permanent disabilities, and similar claims-related work, as well as management training and academic courses.



In Claims Department, there are about 30,000 active compensation claim files. More than 8 million settled compensation and medical claims are on microfilm.



The Service Division of the Records Department has record cards for more than 140,000 employers in its alphabetical files.

Appeals

The Appeal System is an essential part of the compensation process, ensuring that the workman or employer who receives an adverse decision can have a second, a third or a fourth examination of that decision.

The Appeal System is a three-level structure that gives an adverse decision review by the Review Committee, the Appeal Tribunal and the Board. At both the latter levels the employer or the workman appears in person, and the workman is often represented by a union officer, a lawyer, a Member of the Provincial Legislature or any other responsible person he feels may assist him in his appeal.

The Workmen's Advisers play a unique role in the Board's Appeal process. They are experts with many years of experience, and their sole responsibility is to assist workmen with claims problems in the preparation of appeals, and at Board hearings.

During 1971 they advised and assisted in the claims of 1,878 workmen. Two hundred and ninety-three of these claims were investigated further or were appealed, and 207 (70 per cent) were allowed.

Last year, of the more than 366,000 new claims received by the Board, 3,695 appeals were made to the Review Committee. Only one in four of the appeals concerned the initial decision on the allowability of claim, which means that about one-quarter of one per cent of all decisions on initial entitlement made by the Claims Department were appealed.

Decisions changed in whole or in part by the Review Committee totalled 810. Eight decisions were outstanding at December 31, 1971.

One thousand and sixty-six decisions of the Review Committee were appealed to the Appeal Tribunal. A total of 541, slightly more than half, were successful. Appeals to the Board from Tribunal decisions amounted to 192, of which 50 per cent were successful.

Representation at Tribunal hearings was: unions 333, lawyers 187, Members of the Provincial Legislature 60, Workmen's Advisers 18, Members of the Federal Parliament 3, and others 65.

At the Workmen's Compensation Board itself, representation was: Workmen's Advisers 47, unions 45, lawyers 33, Members of the Provincial Legislature 26, and others 28.

Safety

Extensive studies prove that most accidents can be prevented by foresight, planning and care, and the objective of the Board and the Safety Associations is to have employees and employers work together to prevent accidents.

The Construction Safety Association of Ontario, Electrical Utilities Safety Association of Ontario, Farm Safety Council of Ontario, Forest Products Accident Prevention Association, Hospital Accident Prevention Department (Ontario Hospital Association), Industrial Accident Prevention Association, Mines Accident Prevention Association, Ontario Pulp and Paper Makers' Safety Association, and the Transportation Safety Association are the specialized safety associations of the Board.

Each association conducts research, training, education and many other activities within its own field and cooperates with other associations in the exchange of information and ideas. The family of safety associations maintains an extensive film library and has a staff of trained people to provide advice and counsel on every aspect of occupational safety. Industry is alert to the obvious areas of safety needs, and training courses are promoted in a variety of subjects.

All safety associations have combined in a program by which general safety material that can be applied to every field will be produced centrally and distributed individually.

Research into the causes of accidents has always been an essential forerunner of safety planning, but new technology and the growing complexity of industrial processes have produced a demand for more extensive knowledge of the etiology of accidents. Such research is invaluable in developing more effective protective devices, as well as improved approaches to safety education.

Three of the associations, the Industrial Accident, Forest Products, and Mines Accident Prevention, made substantial gains during 1971 in making industry familiar with the concept of Total Loss Control, which has already proved successful in a number of well-managed companies. This concept of accident prevention is supported by research showing that for every injury-producing incident there are about 600 incidents that could have, but did not, result in injury. Total Loss Control requires that the cause of all losses, including those involving only minor damage, or even unnecessary time, be investigated and corrective measures instituted.

Industrial noise deafness has been a concern of safety engineers for a number of years, and during 1971 the demand for noise surveys in industry reached a peak of 317. Requests for the Noise Pollution and Hearing Conservation course grew from an average of 16 a month to 34.

Highway safety is one of our foremost concerns and the Transportation Safety Association in the commercial field is responsible for encouraging safe highway practices. Last year this organization involved more employees and supervisory staff of member firms in safety programs than ever before. Through driver improvement programs, accident control courses for supervisors, air brake systems demonstrations, truck rodeos, employee safety meetings, awards programs and many other means, a total of almost 35,000 employees were directly exposed to the promotion of safe practices.

The increasingly effective work of the safety association in the pulp and paper industry was marked last year with fewer injuries than ever before in the wood harvesting operations of Ontario's pulp and paper companies. The injury frequency of 23.94 was a substantial improvement over the 1970 figure of 27.39 and the previous record low of 26.20 set in 1962.

The Board's Farm Safety Department has worked, in the past, in close liaison with the Farm Safety Council of Ontario, a division of the Department of Agriculture and Food. It is encouraging to note that a reduction in assessment rates was effected in 1971.

The increasing use of construction cranes during the past few years has produced more complex safety considerations on building sites. In conjunction with the Canada Safety Council, the Construction Safety Association of Ontario held the First Canadian Construction Crane Safety Conference in the fall of 1971.



Trained flagmen to direct traffic at construction sites are an essential safeguard.

As a result of this significant meeting, a clear statement of the problems has been made, and recommended courses of action have been and are being initiated to ensure the maximum safety in the operation of this essential equipment.

The development of an improved damage control program by the Mines Accident Prevention Association last year formally introduced the methodology of safety inspection augmented by video tape and slide presentations into this industry. This program will be continuing with increasing emphasis.

The Electrical Utilities Safety Association during 1971 emphasized electrical shock accidents. A film entitled "Contact" was produced and shown at supervisory conferences and at employee crew meetings throughout the industry. The direct training of workmen is the Electrical Utilities Safety Association's approach to safety education by means of scheduled crew meetings, on-the-job surveys and accident investigations.

A research project was undertaken by the Hospital Accident Prevention Department (Ontario Hospital Association) during 1971 to determine the reasons for the high incidence of work injuries in hospitals for the chronically ill.

The Board and its Accident Prevention Associations strongly maintained a media campaign designed to remind the workman in his off-hours of the need for caution and care at his work.

The Workmen's Compensation Board, Ontario, congratulates the safety associations on their work during the year, and thanks the volunteer workers and directors who serve without remuneration in the interests of safety.



The active participation of top management in safety programming is a prime necessity.



Increasing use of construction cranes resulted last year in the first Crane Safety Conference.

Penalty Section

Section 86(7) of the Workmen's Compensation Act provides penalties for employers whose accident record is poor in relation to others in their classification of industry.

The purpose of Section 86(7) is to convince top management of the need for more effective safety programming. Fundamental to the penalty section of the Act is the knowledge that safety can be managed, and that when the top executive level of any firm becomes closely involved with safety, accident frequency will drop.

An employer may be relieved of the added assessment on appeal if he can demonstrate a realistic and effective corrective program in accident prevention. For a successful appeal objective evidence must support the employer's improved safety activities.

During 1971, a total of 1,724 penalty assessments were issued for a combined amount of \$5,642,075.99. Additionally, 468 assessments with a dollar value of \$2,509,525.78 were rescinded on appeal.



Noise surveys in Ontario industry reached a peak during 1971, when 317 firms requested the service from IAPA.

Vocational Rehabilitation

During 1971 competition for jobs was greater than for many years, and 15,269 injured workmen were referred to the Vocational Rehabilitation Department. Many injured workmen required specialized assistance in one or more of the following activities:

- *3,724 workmen were interviewed at the Board's Head Office;
- *There were 6,011 referrals for field service;
- *5,534 workmen were given service at the Rehabilitation Centre;
- *800 requests for commutation of pension;
- *75 requests for pension advances due to emergency needs;
- *1,406 written requests from workmen temporarily partially disabled;
- *119 field enquiries regarding special assistance allowance and home modifications for total disability pensioners.

All of these figures showed significant increase over 1970.

Of the above, 2,130 required the full range of service consisting of vocational and social counselling, vocational evaluation, selective job placement or vocational training. Almost 90 per cent of these men were satisfactorily returned to employment, and their average weekly income, including wages and pension, following rehabilitation was slightly higher than before the disabling accident. The average combined income amounted to \$125.71 per week as compared with \$123.75 before the accident.

Eight hundred and thirty-eight workmen were placed on training programs during 1971, while another 377 continued on training courses started before the first of the year. During the year 656 completed their training programs and by year-end 82 per cent were either working or receiving additional training, with placement pending in another 14 per cent. Only four per cent were unemployed. The training programs included technical courses, such as radio and television electronics, welding, stationary engineering and machine shop work, as well as accountancy, clerical upgrading of education, and business and post-secondary education with an occupational goal.

Rehabilitation Centre

The Board's Rehabilitation Centre at Downsview provides a balanced program of rehabilitation through the most modern techniques and facilities in physical medicine combined with vocational counselling. Treatment for each patient is designed to produce maximum restoration of abilities and the earliest possible return to the work force.

At the Centre 3,418 workmen were discharged ready for employment, and 54 per cent were directed to work immediately on leaving the Centre. Twenty-nine per cent were referred to field service for selective job placement or retraining, and 17 per cent had no appreciable disability and did not require assistance.



Physiotherapists at the Hospital and Rehabilitation Centre test a patient for recovery of motor nerve supply.

Second Injury Fund

One of the most important features of the Board's vocational rehabilitation program is the Second Injury and Enhancement Fund, which encourages employers to hire the industrially disabled by eliminating a burden on his cost record resulting from an industrial injury related to a pre-existing condition.

The Fund relieves the employer of that portion of the cost of a claim that can be attributed to an underlying condition, and hence removes the reluctance of many employers to hire a partially disabled workman.

In 1971 a total of \$6,270,748 was charged against the Second Injury and Enhancement Fund, which was applied in 1,998 claims.



Patient's X-rays are examined at the Hospital and Rehabilitation Centre.

Project Facts

Project FACTS (First Aid Community Training for Safety), being conducted at Orillia, Ontario, is the world's first controlled research program to determine accurately the relationship between first aid training and safety.

Its purpose is to test the widely prevalent theory that saturation first aid training can lower the accident frequency in business, industry and throughout the community, while minimizing the effects of accidents that do occur.

Up to the end of December, 1971, a total of 4,077 Orillia citizens had been trained by St. John Ambulance in first aid as part of Project FACTS. Of these, 2,082 were workmen who took the eight-hour emergency course, and 162 were those trained in the 16-hour Standard Course under the Board provisions.

The FACTS program was launched in October of 1969, and initial training began in January of 1970. Safety experts in some 40 countries are following the progress of Project FACTS in the expectation that it will establish a positive relationship between massive first aid instruction and the avoidance of accidents.



More than 4,000 Orillia people were trained in Emergency First Aid through Project FACTS.



More employees and supervisory personnel of transport firms were involved in safety programs during 1971 than ever before.

Staff

The number of employees at December 31, 1971, was 1,632, the identical number for a year earlier, and was composed as follows: Head Office 996, Rehabilitation Centre 328, Safety Associations 253, District Offices 37, Chest Examining Stations 18.

The Board has a number of multilingual employees who have the capacity to translate and interpret in a combined total of 40 languages.

The Board fulfills its responsibilities through the members of its staff, and wishes at this time to express its appreciation and gratitude to all employees for the dedicated and capable manner in which they carried out their duties during 1971.

Dated at Toronto this
13th day of June 1972.

Approved on behalf of the Board

B.J. Legge, Q.C., Chairman

D.G. Decker, Vice-Chairman

D.F. Hamilton, Commissioner



Claims Department personnel must possess a variety of skills to deal with some 1,500 new claims every day.



Auditors' Report

We have examined the balance sheet of The Workmen's Compensation Board, Ontario as at December 31, 1971 and the summaries of transactions on behalf of Schedule 2 employers, changes in funded liabilities, staff superannuation fund of the Board and the safety associations, and the contingency balance of Schedule 1 employers for the year then ended. Our examination included a review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The Board's consulting actuaries have certified that funded liabilities amounting to \$285,767,664, taken together with the amount of \$18,864,600 in respect of retroactive dependancy pension increases were adequate to make full provision for future benefits payable.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1971 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
March 16, 1972.
Winspear Higgins
Stevenson & Co.
Chartered Accountants.

Balance Sheet

As at December 31, 1971 (with comparative figures)

ASSETS

	1971	1970
Cash	\$ 2,264,607	\$ 3,314,650
Short term deposits	38,800,000	34,100,000
Investments — not in excess of amortized cost	413,322,970	396,310,151
Accrued investment income	8,239,367	7,640,360
Accounts receivable	505,559	400,131
Assessments receivable (Note 1)	15,226,607	13,747,787
Share of administrative expenses and other balances recoverable from Schedule 2 employers	1,659,931	1,680,907
Prepaid administration expenses	67,266	83,005
Land, buildings and equipment — at cost less accumulated depreciation — \$6,204,798 (Note 2)	15,259,348	9,117,036
	<hr/>	<hr/>
	\$495,345,655	\$466,394,027
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LIABILITIES

	1971	1970
Administration expenses accrued and payable	\$ 1,165,075	\$ 1,203,166
Estimated additional cost of existing claims (including \$18,864,600 for retroactive dependency pension increases — Note 3)	156,856,900	140,683,971
Deposits of Schedule 2 employers	4,563,643	4,559,007
Funded liabilities (Note 4)	285,767,664	275,619,681
Staff Superannuation Fund of the Board and the Safety Associations (Note 5)	30,429,803	27,376,241
Contingency balance of Schedule 1 employers (Note 6)	16,562,570	16,951,961
	<u>\$495,345,655</u>	<u>\$466,394,027</u>

See notes to financial statements.

Notes to Financial Statements

For the year ended December 31, 1971

1. Assessments receivable comprise the following amounts:

Amounts billed less allowance for uncollectibles	\$ 7,530,407
Estimated assessments receivable on adjusted 1971 payroll	<u>7,696,200</u>
	<u>\$15,226,607</u>

2. During the year, the Board purchased certain lands and entered into an agreement to lease these lands to a company which will construct an office complex thereon. The Board has agreed with this company to lease accommodation in the aforementioned office complex.
3. The Board follows the practice of financing the cost of retroactive dependency pension increases resulting from legislative amendments, by adjustment of assessment rates charged to Schedule 1 employers over a term of years. The 1971 amendment necessitated a reduction of the Contingency Balance of \$21,038,132. After recovering \$2,173,532 from Schedule 1 employers during 1971, an amount of \$18,864,600 remains to be recovered in future years.

Future recoveries related to legislative amendments in 1968 and 1969 were adjusted during 1971 to actuarial requirements. This adjustment, amounting to \$22,009,871 has been netted against the transfer for the 1971 amendment of \$21,038,132 resulting in an increase in the Contingency Balance of \$971,739.

4. During the year an actuarial valuation was undertaken on the Schedule 1 Pension Fund. The valuation was made as at December 31, 1970 and indicated that the fund had no unfunded liability as at that date. Pursuant to the report submitted by the Board's consulting actuaries a transfer was made during the year from the funded pension liability to the Contingency Balance amounting to \$15,000,000.
5. The Staff Superannuation Fund of the Board and the Safety Associations represents contributions and income from investments, less pensions paid. The most recent actuarial valuation of the staff superannuation plan was made as at December 31, 1970. This valuation indicated that the Fund had no unfunded liability as at that date.

6. Due to the increased expenditure for workmen's benefits incurred in the current year and the provisions made in prior years for additional benefits arising from legislative changes, the Contingency Balance of Schedule 1 employers has declined below the optimum level as determined by the Board. It is the Board's objective to maintain the Contingency Balance at the optimum levels by adjustment of the annual assessment rates of Schedule 1 employers from year to year.



Entrance to the Board's Hospital and Rehabilitation Centre

Summary of Changes in Funded Liabilities

For the year ended December 31, 1971

	Deferred Compensation	Pensions
Amounts Provided		
Direct assessment of employers		
Allocation of the assessment of Schedule 1 employers		
Income from investments	\$ 301	\$ 18,267,385
Recovered from other Boards		48,565
Awards charged to Schedule 1 employers		
— for Deferred Compensation	61,040	
— for Pensions		30,726,318
Awards between Funded Liabilities		
— transferred from Silicosis		833,207
	<u>\$61,341</u>	<u>\$ 49,875,475</u>
Amounts Applied		
Paid to claimants	\$59,882	\$ 27,586,662
Transfer to Contingency Balance pursuant to the actuaries' recommendations (Note 4)		15,000,000
Administration including examining stations, referee boards, X-rays, etc.		
Assistance provided to the Contingency Balance of Schedule 1 Employers		
Awards between Funded Liabilities — transferred to Pensions		
	<u>\$59,882</u>	<u>\$ 42,586,662</u>
Net increase	\$ 1,459	\$ 7,288,813
Funded liabilities, beginning of year	9,253	255,310,489
See notes to financial statements.		
Funded liabilities, end of year	<u>\$10,712</u>	<u>\$262,599,302</u>

Asbestosis	Silicosis	Second Injury	Disasters and Stabilization	1971 total	1970 total
	\$1,471,092			\$ 1,471,092	\$ 1,471,093
\$ 9,771	462,562	\$8,012,960 344,206	\$2,003,240 541,356	10,016,200 19,625,581 48,565	5,841,390 17,508,997
				61,040 30,726,318	67,244 31,117,537
				833,207	812,819
<u>\$ 9,771</u>	<u>\$1,933,654</u>	<u>\$8,357,166</u>	<u>\$2,544,596</u>	<u>\$ 62,782,003</u>	<u>\$ 56,819,080</u>
	\$ 194,171			\$ 27,840,715	\$ 36,209,114
				15,000,000	
	405,844			405,844	377,627
		\$6,270,748	\$2,283,506	8,554,254	5,515,323
	833,207			833,207	812,819
	<u>\$1,433,222</u>	<u>\$6,270,748</u>	<u>\$2,283,506</u>	<u>\$ 52,634,020</u>	<u>\$ 42,914,883</u>
\$ 9,771	\$ 500,432	\$2,086,418	\$ 261,090	\$ 10,147,983	\$ 13,904,197
139,304	6,717,552	5,528,676	7,914,407	275,619,681	261,715,484
<u>\$149,075</u>	<u>\$7,217,984</u>	<u>\$7,615,094</u>	<u>\$8,175,497</u>	<u>\$285,767,664</u>	<u>\$275,619,681</u>

Summary of Transactions on Behalf of
Schedule 2 Employers

For the year ended December 31, 1971

	1971	1970
Reimbursements received from employers	\$12,303,737	\$12,190,007
Income from investments	174,903	174,975
	<u>\$12,478,640</u>	<u>\$12,364,982</u>
Deduct		
Benefits to workmen		
Compensation	\$ 4,477,032	\$ 4,013,243
Medical aid	3,670,506	3,552,642
Pensions paid	4,269,988	4,887,317
Rehabilitation	56,478	70,399
	<u>\$12,474,004</u>	<u>\$12,523,601</u>
Increase (decrease) in deposits during the year	\$ 4,636	(\$ 158,619)
Deposits of Schedule 2 employers, beginning of year	4,559,007	4,717,626
Deposits of Schedule 2 employers, end of year	<u>\$ 4,563,643</u>	<u>\$ 4,559,007</u>

**Summary of Changes in the Staff Superannuation Fund
of the Board and the Safety Associations**

For the year ended December 31, 1971

	1971	1970
Contributions received		
From the Board and staff	\$ 1,594,985	\$ 1,435,886
From the Safety Associations and staff	369,033	316,714
	\$ 1,964,018	\$ 1,752,600
Income from investments	1,596,787	1,478,130
	\$ 3,560,805	\$ 3,230,730
Deduct		
Pensions paid	\$ 372,500	\$ 321,601
Contributions refunded to staff	134,743	147,006
	507,243	\$ 468,607
Increase in the fund for the year	\$ 3,053,562	\$ 2,762,123
Balance of the fund, beginning of year	27,376,241	24,614,118
Balance of the fund, end of year (Note 5)	\$30,429, 803	\$27,376,241

See notes to financial statements.

**Summary of
Changes in the
Contingency
Balance of
Schedule 1 Employers**

For the year ended
December 31, 1971

		1971	1970
Income			
Assessments, penalties, etc. — net		\$139,059,347	\$134,115,054
Deduct			
Allocation of assessments to funded liabilities			
— Second Injury	(\$ 8,012,960)		(\$ 4,543,303)
— Disasters and Stabilization	(2,003,240)		(1,298,087)
Provision for adjustment of estimated assessments	253,900		238,600
		(\$ 9,762,300)	(\$ 5,602,790)
		\$129,297,047	\$128,512,264
Income from investments		5,788,692	5,960,817
Assistance provided by Funded Liabilities			
Second Injury		6,270,748	3,517,549
Disasters and Stabilization		2,283,506	1,997,774
		\$143,639,993	\$139,988,404
Expenditure			
Benefits for workmen			
Compensation	\$ 61,331,283		\$ 56,841,637
Medical Aid	30,925,521		31,431,777
Rehabilitation	1,222,734		1,052,340
Pension awards	30,726,318		31,117,537
Deferred compensation awards	61,040		67,244
	\$124,266,896		\$120,510,535
Other outlays			
Mine rescue work	\$ 213,278		\$ 169,196
Hospital and Rehabilitation Centre	21,366		24,354
Accident prevention	6,050,420		5,711,057
Administration	9,672,583		8,796,993
Medical and investigating services	1,801,666		1,731,787
	\$ 17,759,313		\$ 16,433,387
Provisions for			
— Additional claim liability	\$ 17,144,668		\$ 9,897,471
— Uncollectible assessments	830,246		813,192
	\$ 17,974,914		\$ 10,710,663
		160,001,123	\$147,654,585
Net (decrease) in contingency balance of Schedule 1 employers		(\$ 16,361,130)	(\$ 7,666,181)
Contingency balance of Schedule 1 employers beginning of year		16,951,961	24,618,142
Transfers pursuant to actuaries' recommendations			
— from estimated cost of existing claims (Note 3)		971,739	
— from funded liability for pension (Note 4)		15,000,000	
Contingency balance of Schedule 1 employers, end of year		\$ 16,562,570	\$ 16,951,961

See notes to financial statements.

Administration Expenses

For the year ended December 31, 1971

	1971	1970
Salaries and employees' benefits	\$ 9,875,814	\$ 9,160,251
Field staff expenses	324,023	308,647
Stationery and office supplies	359,219	335,275
Other supplies and expenses	80,837	74,327
Building maintenance	367,960	338,397
Equipment rental	400,458	383,427
Equipment maintenance	39,518	41,457
Communications and publications	699,159	577,337
Rent	60,029	55,063
Credit reports and legal expenses	63,238	48,684
Auditors' and actuarial services	27,650	27,375
Insurance and security services	73,744	63,646
Depreciation of equipment	57,920	69,765
Depreciation of building	106,810	106,769
Miscellaneous	240,913	190,619
	<u>\$12,777,292</u>	<u>\$11,781,039</u>
Head Office administration services performed for Other Divisions	3,104,709	2,984,046
Total charged to Schedule 1 Employers	<u><u>\$ 9,672,583</u></u>	<u><u>\$ 8,796,993</u></u>

Hospital and Rehabilitation Centre Expenses

For the year ended December 31, 1971

	1971	1970
Salaries and employees' benefits	\$3,247,706	\$3,036,775
Stationery and office supplies	27,511	30,874
Other supplies and expenses	108,269	114,118
Building maintenance	183,532	161,127
Equipment maintenance	15,617	12,890
Vehicle maintenance	9,789	7,347
Communications	42,370	39,044
Cafeteria	334,472	345,505
Depreciation of equipment and furniture	38,270	41,161
Depreciation of buildings	180,888	181,026
Insurance and security services	111,703	107,723
Miscellaneous	45,153	52,224
Head office administrative services	111,720	111,720
	<hr/>	<hr/>
	\$4,457,000	\$4,241,534
Recoveries from Medical Aid and other accounts	4,435,634	4,217,180
	<hr/>	<hr/>
Total charged to Schedule 1 Employers	\$ 21,366	\$ 24,354
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Bicycling is part of the recreational program at the Hospital and Rehabilitation Centre.

Financial Statement, Schedule 1, for the Year Ended December 31, 1971.

Rate Number	Assessments	Compensation and Medical Aid	Interest Earned	All Other Outlays	Net Transfers to Reserves	Balance Forward Prior Years
001	\$ 4,065,026.51	\$ 3,549,917.73	\$ 218,565.41	\$ 611,809.21	\$ -76,336.55	\$ 5,526,016.79
008	968,820.07	862,816.98	53,121.59	148,009.40	30,253.60	1,343,079.79
012	145,377.98	145,139.85	24,375.29	24,897.59	7,716.69	616,283.47
023	2,190,100.54	1,835,162.51	79,770.22	297,338.18	52,034.32	2,016,840.49
037	992,048.90	944,881.88	42,091.10	126,457.70	-56,699.73	1,064,194.54
045	633,959.27	593,295.23	46,386.87	79,518.09	42,499.63	1,172,805.17
054	97,918.76	81,968.44	8,208.09	10,971.19	-10,908.65	207,526.30
062	579,962.38	466,045.25	14,800.19	64,759.88	14,319.58	374,195.00
069	990,258.72	1,491,775.29	154,560.75	240,607.46	-446,675.83	3,907,778.94
076	4,740,022.93	3,534,384.54	77,910.53	551,495.75	203,775.77	1,969,821.83
084	394,958.57	492,226.83	91,648.25	102,854.04	29,622.00	2,317,154.19
091	1,298,738.92	1,227,112.00	53,465.53	195,747.74	53,789.69	1,351,775.69
095	395,918.95	511,692.97	23,419.59	98,682.01	18,633.54	592,120.54
098	344,849.06	297,680.91	35,245.53	43,032.97	-33,508.78	891,117.09
106	675,865.19	559,503.56	62,475.22	75,260.57	43,574.98	1,579,569.03
109	203,329.14	118,706.16	4,817.92	15,994.87	14,739.21	121,812.13
114		15,566.94	1,719.17	2,093.35	-1,953.00	43,465.91
121	774,259.82	568,606.81	78,275.77	81,133.17	55,457.07	1,979,056.21
129	103,593.37	106,027.98	8,502.62	14,190.19	-13,999.56	214,972.72
137	1,358,899.95	1,467,561.94	69,114.22	196,420.26	90,270.29	1,747,423.47
153	666,329.68	612,933.63	17,969.93	82,031.61	38,932.85	454,335.92
162	4,552,792.03	4,329,432.77	154,864.74	579,635.92	95,024.59	3,915,464.75
170	239,638.70	215,323.29	27,378.03	28,817.66	-10,813.53	692,202.15
180	1,592,405.85	1,618,610.97	104,868.86	216,629.03	35,798.53	2,651,412.77
196	177,435.08	160,517.95	7,738.64	21,482.82	-12,956.00	195,656.98
204	900,909.08	748,064.17	32,795.06	100,116.72	40,192.05	829,161.64
212	265,308.95	265,363.57	12,059.49	35,514.77	-5,758.77	304,901.72
246	12,787,863.50	10,937,647.20	427,065.98	1,466,577.15	256,867.26	10,797,563.22
255	1,040,789.12	937,568.64	47,795.97	125,478.94	-21,524.64	1,208,431.50
264	1,303,606.92	1,449,951.16	48,752.14	196,323.94	-2,073.18	1,232,606.49
272	1,062,639.24	800,185.04	37,720.24	107,092.28	51,706.93	953,685.61
280	32,842.88	69,147.12	8,968.71	9,254.26	-11,098.22	226,756.96
288	2,219,491.88	2,179,768.95	88,175.80	291,897.98	84,934.90	2,229,359.95
298	1,052,124.85	1,092,557.91	74,142.42	147,899.17	-50,519.88	1,874,552.26
306	3,400,569.89	2,818,853.07	44,536.35	377,310.00	-34,554.93	1,126,018.17
310	313,781.66	403,896.58	14,839.03	54,055.26	-26,399.69	375,177.19
315	3,797,354.91	3,443,095.48	135,808.23	474,268.38	-112,029.02	3,433,656.64
331	322,439.84	201,719.24	11,100.68	26,996.98	24,084.00	280,660.00
339	1,063,660.88	961,753.39	40,718.67	137,833.50	33,893.93	1,029,495.28
349	467,407.06	599,817.74	62,606.41	80,762.95	641.92	1,582,885.80
357	324,915.90	252,694.16	12,025.12	34,936.27	19,753.81	304,032.61
365	131,698.26	101,360.16	8,453.06	13,565.47	6,257.08	213,719.72

Transfer from Pension Fund	Balance Dec. 31/71	Estimated Outstanding Claim Costs	Estimated Outstanding Assessments	Net Balance Dec. 31/71	Required Contingent Reserve
\$ 831,900.00	\$ 6,556,118.32	\$ 6,562,800.00	\$ 476,900.00	\$ 470,218.32	\$ 887,500.00
232,900.00	1,556,841.47	1,368,400.00	213,900.00	402,341.47	215,700.00
52,700.00	660,982.61	187,000.00	8,800.00	482,782.61	36,300.00
337,800.00	2,439,976.24	2,879,700.00	159,800.00	-279,923.76	458,800.00
120,900.00	1,204,594.69	897,300.00	97,400.00	404,694.69	236,200.00
178,600.00	1,316,438.36	845,000.00	75,700.00	547,138.36	148,300.00
38,800.00	270,422.17	199,000.00	12,200.00	83,622.17	20,500.00
43,900.00	467,732.86	414,400.00	66,100.00	119,432.86	116,500.00
617,100.00	4,383,991.49	5,188,400.00	400.00	-804,008.51	372,900.00
638,600.00	3,136,699.23	5,574,800.00	602,200.00	-1,835,900.77	883,600.00
168,700.00	2,347,758.14	1,131,600.00	12,800.00	1,228,958.14	123,100.00
177,300.00	1,404,630.71	1,684,600.00	132,100.00	-147,869.29	306,800.00
16,100.00	398,550.56	405,200.00		-6,649.44	127,900.00
33,800.00	997,806.58	469,100.00	101,300.00	630,006.58	74,400.00
63,700.00	1,703,270.33	655,600.00	108,800.00	1,156,470.33	139,900.00
6,400.00	186,918.95	135,700.00	17,100.00	68,318.95	29,700.00
	29,477.79	95,200.00		-65,722.21	3,900.00
187,500.00	2,313,894.75	1,708,100.00	62,900.00	668,694.75	142,200.00
21,400.00	242,250.10	213,400.00	5,500.00	34,350.10	26,500.00
210,700.00	1,631,885.15	2,095,600.00	108,200.00	-355,514.85	366,900.00
37,300.00	442,037.44	641,300.00	38,500.00	-160,762.56	153,200.00
449,300.00	4,068,328.24	5,355,900.00	312,300.00	-975,271.76	1,082,400.00
99,700.00	825,591.46	753,900.00	81,700.00	153,391.46	53,800.00
365,000.00	2,842,648.95	3,573,700.00	29,100.00	-701,951.05	404,700.00
23,800.00	235,585.93	297,900.00	13,100.00	-49,214.07	40,100.00
92,400.00	966,892.84	981,400.00	112,600.00	98,092.84	187,000.00
62,200.00	349,350.59	644,100.00	20,300.00	-274,449.41	66,300.00
1,178,900.00	12,530,301.09	11,577,400.00	1,332,000.00	2,284,901.09	2,734,400.00
117,100.00	1,372,593.65	1,185,900.00	82,500.00	269,193.65	234,400.00
78,200.00	1,018,963.63	1,022,200.00	104,900.00	101,663.63	362,500.00
49,500.00	1,144,560.84	719,600.00	123,900.00	548,860.84	200,000.00
9,200.00	210,465.39	40,500.00	600.00	170,565.39	17,300.00
194,300.00	2,174,725.80	2,499,200.00	86,500.00	-237,974.20	544,900.00
199,800.00	2,010,682.33	2,085,700.00	57,400.00	-17,617.67	273,100.00
218,000.00	1,627,516.27	3,243,000.00	645,100.00	-970,383.73	704,700.00
1,200.00	273,445.73	218,300.00	14,900.00	70,045.73	101,000.00
345,300.00	3,906,784.94	3,616,600.00	307,800.00	597,984.94	860,800.00
39,400.00	400,800.30	264,100.00	3,300.00	140,000.30	50,400.00
71,400.00	1,071,794.01	935,000.00	105,600.00	242,394.01	240,400.00
114,900.00	1,546,576.66	949,400.00	11,500.00	608,676.66	150,000.00
51,600.00	385,189.39	460,500.00	12,200.00	-63,110.61	63,200.00
15,100.00	247,788.33	162,700.00	24,000.00	109,088.33	25,300.00

Financial Statement, Schedule 1, For The Year Ended December 31, 1971.

Rate Number	Assessments	Compensation and Medical Aid	Interest Earned	All Other Outlays	Net Transfers to Reserves	Balance Forward Prior Years
373	\$ 397,509.53	\$ 401,431.10	\$ 14,900.58	\$ 61,946.50	\$ 7,015.83	\$ 376,733.34
381	74,962.04	99,379.75	5,382.13	13,300.43	-3,779.70	136,077.05
405	1,219,263.79	754,903.58	47,862.58	101,417.44	44,629.89	1,210,115.59
413	14,619.28	7,894.92	14,453.07	1,056.61	1,096.00	365,418.92
423	729,731.65	558,976.48	37,434.89	74,810.28	20,084.16	946,471.05
431	230,761.53	241,784.10	30,404.89	32,359.03	4,736.56	768,730.65
440	2,100,172.68	1,672,481.02	35,347.05	226,527.58	53,297.65	893,683.91
448	1,139,888.75	953,025.88	37,330.73	132,517.15	31,522.20	943,837.61
456	1,386,672.91	1,381,931.62	67,916.65	201,219.98	-211,572.74	1,717,145.25
464	998,491.63	841,618.07	29,974.84	112,880.13	28,901.68	757,857.75
473	55,152.25	54,057.61	9,275.71	7,234.77	4,136.00	234,518.86
482	98,651.24	93,441.47	449.29	12,758.30	-8,813.11	11,359.49
491	554,763.43	530,021.79	26,064.49	70,935.14	25,328.30	658,991.70
499	488,646.83	401,175.95	8,921.29	53,694.14	-673.77	225,558.20
508	13,591.27	22,901.50	7,266.45	3,065.01	1,015.00	183,718.65
516	130,080.19	114,377.96	5,769.03	15,307.70	9,489.00	145,859.14
526	192,113.81	205,932.72	22,080.77	27,560.88	13,286.50	558,270.99
535	429,983.53	387,753.93	11,433.36	53,350.58	25,375.86	289,071.12
544	1,573,155.27	1,386,078.36	27,315.28	186,521.57	7,548.00	690,615.80
555	871,947.69	791,311.14	10,049.69	105,984.00	22,523.41	254,087.57
591	329,199.63	451,346.84	35,836.21	60,405.73	-1,874.75	906,051.42
601	740,930.01	730,072.87	24,120.47	98,617.57	39,290.90	609,840.99
610	384,892.80	318,106.71	11,795.07	46,761.49	-3,341.19	298,216.32
619	366,058.11	206,827.61	14,483.67	27,805.40	26,944.00	366,192.42
628	1,444,676.86	1,110,423.10	38,886.53	149,747.93	81,981.49	983,173.15
637	244,776.78	207,876.30	22,303.59	27,821.00	7,876.13	563,904.40
646	202,323.24	205,894.64	6,269.42	27,555.78	11,607.44	158,510.56
656	5,800,650.19	5,991,029.76	246,970.46	973,150.89	-11,920.31	6,244,185.27
665	124,711.59	82,861.91	7,690.64	12,775.04	1,816.50	194,443.46
674	212,933.15	278,262.55	17,782.06	42,900.46	13,953.00	449,586.13
683	310,787.46	418,573.96	11,368.07	64,532.64	13,211.66	287,420.40
692	2,014,731.32	1,837,234.81	96,837.60	286,111.23	70,822.93	2,448,357.34
709	686,866.86	452,659.76	20,825.52	110,376.73	6,939.41	526,534.34
717	582,359.09	417,016.00	25,418.83	64,514.49	26,769.73	642,667.39
726	83,357.07	94,785.42	582.62	14,613.32	4,888.80	14,730.57
736	2,732,814.50	2,168,597.03	89,170.49	341,787.46	38,627.90	2,254,508.73
744	256,665.00	169,430.72	2,625.95	28,698.12	2,505.28	66,392.28
753	4,926,923.85	4,567,023.34	305,187.66	710,561.12	159,630.10	7,716,098.22
761	515,528.55	195,876.30	38,279.62	30,382.65	37,906.00	967,828.50
772	606,383.19	493,055.90	18,617.78	417,844.51	-83,951.46	470,715.76
789	1,561,922.52	1,647,362.18	58,188.97	170,458.71	81,669.56	1,471,199.09
799	372,396.76	496,900.33	37,673.77	46,530.39	-82,915.95	952,510.61

Transfer from Pension Fund	Balance Dec. 31/71	Estimated Outstanding Claim Costs	Estimated Outstanding Assessments	Net Balance Dec. 31/71	Regulation Compliance Issues
\$ 69,200.00	\$ 387,950.02	\$ 570,800.00	\$ 7,700.00	\$ -175,149.98	\$ 100,000.00
25,300.00	132,820.74	191,700.00	4,900.00	-53,979.26	24,000.00
91,100.00	1,667,391.05	981,900.00	36,300.00	721,791.05	188,700.00
8,100.00	392,543.74	40,500.00		352,043.74	2,000.00
133,300.00	1,193,066.67	867,800.00	42,100.00	367,366.67	139,700.00
90,800.00	841,817.38	435,700.00	42,400.00	448,517.38	60,400.00
120,200.00	1,197,097.39	1,667,000.00	164,100.00	-305,802.61	418,100.00
155,000.00	1,158,991.86	1,354,200.00	35,000.00	-160,208.14	238,300.00
158,300.00	1,958,455.95	1,346,600.00	123,100.00	734,955.95	345,500.00
68,900.00	871,824.34	768,100.00	84,700.00	188,424.34	210,400.00
24,200.00	257,718.44	81,300.00	6,700.00	183,118.44	13,500.00
5,300.00	18,373.36	61,800.00	1,000.00	-42,426.64	23,400.00
60,800.00	674,334.39	709,400.00	17,000.00	-18,065.61	132,500.00
24,900.00	293,830.00	380,300.00	19,400.00	-67,070.00	100,300.00
2,900.00	180,494.86	22,900.00	300.00	157,894.86	5,700.00
8,400.00	150,933.70	106,300.00	2,500.00	47,133.70	28,600.00
78,700.00	604,385.47	318,800.00	9,600.00	295,185.47	51,500.00
30,300.00	294,307.64	338,200.00	24,100.00	-19,792.36	96,900.00
173,300.00	884,238.42	1,595,700.00	61,700.00	-649,761.58	346,500.00
124,200.00	340,466.40	999,200.00	54,500.00	-604,233.60	197,800.00
63,700.00	824,909.44	582,800.00	19,300.00	261,409.44	112,800.00
37,800.00	544,710.13	636,200.00	61,600.00	-29,889.87	182,500.00
38,100.00	371,477.18	388,900.00	53,200.00	35,777.18	79,500.00
42,200.00	527,357.19	331,100.00	5,400.00	201,657.19	51,700.00
100,500.00	1,225,084.02	1,103,000.00	106,100.00	228,184.02	277,600.00
32,800.00	620,211.34	244,700.00	25,800.00	401,311.34	52,000.00
18,200.00	140,245.36	179,500.00	21,400.00	-17,854.64	51,500.00
572,200.00	5,911,745.58	6,918,400.00	554,500.00	-452,154.42	1,497,800.00
8,200.00	237,592.24	105,200.00	6,800.00	139,192.24	20,700.00
32,600.00	377,785.33	308,100.00	18,500.00	88,185.33	69,600.00
36,900.00	150,157.67	513,600.00	57,100.00	-306,342.33	104,600.00
220,900.00	2,586,657.29	2,209,700.00	144,000.00	520,957.29	459,300.00
39,700.00	703,950.82	590,900.00	104,300.00	217,350.82	113,200.00
66,100.00	808,245.09	549,900.00	133,800.00	392,145.09	104,300.00
5,500.00	-10,117.28	53,100.00	8,200.00	-55,017.28	23,700.00
397,100.00	2,924,581.33	3,557,400.00	512,000.00	-120,818.67	542,100.00
5,900.00	130,949.11	178,100.00	21,900.00	-25,250.89	42,400.00
498,200.00	8,019,195.17	6,146,200.00	999,700.00	2,872,695.17	1,141,800.00
	1,257,471.72	385,500.00	7,100.00	879,071.72	49,000.00
109,100.00	377,867.78	635,000.00	18,100.00	-239,032.22	123,300.00
162,500.00	1,354,320.13	1,348,700.00	40,000.00	45,620.13	411,800.00
18,800.00	920,866.37	526,000.00	4,200.00	399,066.37	124,200.00

Financial Statement, Schedule 1, For The Year Ended December 31, 1971.

Rate Number	Assessments	Compensation and Medical Aid	Interest Earned	All Other Outlays	Net Transfers to Reserves	Balance Forward Prior Years
809	\$ 818,599.34	\$ 812,580.24	\$ 70,818.58	\$ 126,040.47	\$ 44,636.44	\$ 1,790,515.05
827	1,242,682.71	741,852.58	40,934.74	115,074.00	8,548.48	1,034,958.19
836	556,654.48	329,648.09	28,595.75	51,132.18	35,813.26	722,989.95
844	58,238.37	63,997.25	4,803.92	5,920.22	-57,938.89	121,458.07
854	13,727,092.41	13,211,829.19	599,032.83	2,054,042.18	191,905.49	15,145,422.88
859	331,595.84	361,103.75	15,222.29	56,011.31	-12,284.45	384,867.11
864	5,458,319.02	4,867,085.41	189,864.26	762,235.48	52,299.21	4,800,362.00
873	1,447,003.67	1,319,735.16	32,693.42	204,770.68	62,800.27	826,591.82
876	368,928.82	273,047.81		42,352.83	27,097.00	-12,740.88
882	3,552,767.85	2,965,903.00	93,873.16	369,054.91	66,985.59	2,373,406.92
890	604,230.15	508,425.29	28,262.98	50,237.41	33,937.95	714,576.61
898	1,904,580.10	1,739,754.12	64,461.44	162,124.68	21,139.74	1,629,786.67
907	908,900.03	797,006.06	31,545.32	75,018.40	-2,388.65	797,564.29
916	2,252,674.23	2,109,763.01	57,757.86	208,166.82	23,935.78	1,460,299.20
924	52,680.05	16,761.77	11,356.83	1,550.59	-4,957.40	287,136.19
934	3,770,972.14	3,467,406.52	111,196.77	468,313.59	-10,774.59	2,811,401.95
940	1,076,901.73	1,115,524.07	35,133.59	107,144.72	-21,392.47	888,287.07
941	369,947.88	252,994.67		23,403.90	-25,988.68	-25,259.20
942	300,799.76	234,675.19	11,305.54	22,080.16	9,749.62	285,839.34
943	894,948.71	1,112,115.35		117,896.21	-7,098.14	-64,940.26
945	245,991.33	200,832.86	18,069.86	20,993.82	12,430.26	456,862.45
947	34,675.47	41,603.55	8,001.67	3,848.64	1,154.47	202,307.18
949	10,245.23	3,571.13	657.40	330.36	764.00	16,621.11
951	46,459.53	18,565.41	9,019.63	1,717.44	3,478.00	228,044.42
953	1,313,171.07	1,133,568.52	72,678.52	121,121.06	69,615.44	1,837,540.17
955	52,954.16	55,512.92		5,140.36	3,930.00	-115,921.39
Sch. 1	137,283,977.10*	124,266,895.90	5,684,691.55	18,013,876.98**	1,461,945.88***	143,507,913.53

***ASSESSMENTS**

Assessments, Schedule 1	\$138,693,272.34
Less Refunds	-4,060,843.71
Section 8	774,287.41
Section 9	10,924.70
Section 86(7)	1,771,935.72
Section 111	5,304.83
Section 117(3)	79,504.26
Accident cost refunds	-84.00
Province of Ontario for Blind Workmen	9,675.55
	<u>\$137,283,977.10</u>

****ALL OTHER OUTLAYS**

Section 8	\$ 254,563.46
Mine rescue work	213,278.38
Hospital and Rehabilitation Centre	21,366.18
Paraplegic expenses	7,286.40
Accident prevention expenses	6,050,419.59
Administration	9,672,582.91
Medical and investigating service outlays	1,794,380.06
	<u>\$ 18,013,876.98</u>

Transfer from Pension Fund	Balance Dec. 31/71	Estimated Outstanding Claim Costs	Estimated Outstanding Assessments	Net Balance Dec. 31/71	Required Contingent Reserve
\$ 163,700.00	\$ 1,860,375.82	\$ 1,410,600.00	\$ 115,800.00	\$ 565,575.82	\$ 203,160.00
72,600.00	1,525,700.58	1,107,400.00	189,600.00	607,900.58	185,500.00
131,200.00	1,022,846.65	820,300.00	40,000.00	242,546.65	82,400.00
26,600.00	199,121.78	174,100.00	2,800.00	27,821.78	16,000.00
1,508,000.00	15,521,771.26	17,412,400.00	2,987,300.00	1,096,671.26	3,303,000.00
21,800.00	348,654.63	248,100.00	115,300.00	215,854.63	90,300.00
460,300.00	5,227,225.18	5,626,500.00	748,000.00	348,725.18	1,216,800.00
133,000.00	851,982.80	1,521,100.00	199,700.00	-469,417.20	329,900.00
800.00	14,490.30	285,500.00	40,500.00	-230,509.70	68,300.00
37,500.00	2,655,604.43	2,254,000.00	71,300.00	202,904.43	741,500.00
59,100.00	813,569.09	632,600.00	16,300.00	197,269.09	127,100.00
54,400.00	1,730,209.67	1,386,000.00	118,300.00	462,509.67	434,900.00
38,000.00	906,373.83	549,500.00	91,500.00	448,373.83	199,300.00
135,800.00	1,564,665.68	1,921,700.00	241,200.00	-115,834.32	527,400.00
5,800.00	343,618.11	38,500.00	1,500.00	306,618.11	4,200.00
150,000.00	2,918,625.34	3,048,900.00	479,700.00	349,425.34	866,900.00
56,200.00	855,246.07	863,600.00	107,100.00	98,746.07	278,900.00
9,500.00	103,778.79	256,100.00	8,300.00	-144,021.21	63,200.00
20,200.00	351,639.67	192,300.00	10,000.00	169,339.67	58,700.00
57,500.00	-335,404.97	1,036,800.00	70,200.00	-1,302,004.97	278,000.00
6,100.00	492,766.70	85,700.00	12,100.00	419,166.70	50,200.00
7,800.00	206,177.66	31,800.00	100.00	174,477.66	10,400.00
100.00	22,958.25	3,400.00	100.00	19,658.25	900.00
5,300.00	265,062.73	35,700.00	100.00	229,462.73	4,600.00
79,200.00	1,978,284.74	1,270,800.00	92,000.00	799,484.74	283,400.00
6,900.00	-120,650.51	104,100.00	5,500.00	-219,250.51	13,900.00
15,000,000.00	157,733,863.42	156,856,900.00	15,206,300.00	16,083,263.42	31,066,700.00

***NET TRANSFERS TO RESERVES

Transfer to Disaster and Stabilization Reserve	\$2,003,240.00	
Transfer to Second Injury Reserve	<u>8,012,960.00</u>	
		\$10,016,200.00
Transfer from Disaster and Stabilization Reserve	\$2,283,506.23	
Transfer from Second Injury Reserve	<u>6,270,747.89</u>	
		<u>8,554,254.12</u>
NET TRANSFER TO RESERVES		<u>\$ 1,461,945.88</u>

Accident Prevention Expenses

For the year ended December 31, 1971

Association	Class	Total
Forest Products Accident Prevention Association	1	\$ 249,623
Ontario Pulp & Paper Makers Safety Association	2	88,396
Mines Accident Prevention Association of Ontario	5	239,877
Industrial Accident Prevention Association	3,4,6,7,8,9,10,11,12 13,14,15,16,17,18,19,26	1,604,488
Transportation Safety Association of Ontario	20	409,041
Electrical Utilities Safety Association of Ontario	22*	257,843
Construction Safety Association of Ontario	21,23**,24	1,258,843
Hospital Accident Prevention Association of Ontario	25+	63,754
Farm Safety Council of Ontario	27	20,805
W.C.B. Safety Education Department		1,857,749
TOTAL CHARGED TO SCHEDULE 1		<u>\$6,050,419</u>

*Rate Number 772 only.

**Does not include Rate Number 844.

+Rate Number 882 only.



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Government
Publications

ANNUAL REPORT 1973



THE WORKMEN'S COMPENSATION BOARD
ONTARIO

ANNUAL REPORT

1973

WORKMEN'S COMPENSATION BOARD,
ONTARIO

GENERAL REVIEW FOR 1973

The Workmen's Compensation Board, Ontario.

Head Office: 2 Bloor Street East, Toronto.

To Her Honour The Lieutenant-Governor:

The Workmen's Compensation Board is pleased to submit its annual report of operations for 1973.

INTRODUCTION

The number of injuries reported to the Board as work injuries during 1973 totalled 418,438, an increase of slightly more than 11 per cent over the previous year.

Benefits awarded under the Act amounted to more than \$186 million, an increase of some \$25 million.

The number of firms covered under Schedule 1 of the Act was 140,935. This was 3,495 more than in 1972.

SUMMARY OF OPERATIONS

	<u>1973</u>	<u>1972</u>
Payroll upon which assessments during year based	\$15,834,533,000	\$13,867,429,000
Incidents reported as work injuries	418,438	376,582
Benefits awarded under the Act:		
Schedule 1 Medical Aid	\$ 34,189,000	\$ 31,970,000
Schedule 1 Compensation - Not Pensions	84,689,000	75,235,000
Schedule 1 Compensation - Pensions	<u>48,831,000</u>	<u>37,288,000</u>
Total Schedule 1 Awards	<u>\$ 167,709,000</u>	<u>\$ 144,493,000</u>
Schedule 2 Medical Aid	\$ 3,781,000	\$ 3,676,000
Schedule 2 Compensation - Not Pensions	9,915,000	9,195,000
Schedule 2 Compensation - Pensions	<u>5,379,000</u>	<u>4,252,000</u>
Total Schedule 2 Awards	<u>\$ 19,075,000</u>	<u>\$ 17,123,000</u>
TOTAL AWARDS BOTH SCHEDULES	<u><u>\$ 186,784,000</u></u>	<u><u>\$ 161,616,000</u></u>

AMENDMENTS TO THE ACT

Amendments to the Workmen's Compensation Act during 1973 gave Ontario workmen the highest maximum and minimum compensation levels in Canada, and provided widows of fatally injured workmen with the highest pensions in Canada. The Bill amending the Act was given third reading on June 7, and all changes took effect on July 1, 1973.

The maximum amount on which compensation is paid was raised to \$10,000 annually, effective July 1. The previous maximum of \$9,000 applies to all accidents occurring prior to July 1, 1973.

The amount of pension payable to dependent widows was increased from \$175 to \$250 monthly effective July 1, 1973.

Additional monthly payments for dependent children was raised to \$70 from the previous \$60, and for orphans, to \$80 from \$70.

While the total of the dependants' monthly pensions cannot normally exceed the workman's average earnings, the minimum total benefit payable to a widow and three or more children in fatal claims was increased to \$460 from \$355, regardless of the workman's earnings.

The minimum amount of compensation payable for temporary total disability was raised from \$40 to \$55 weekly where the workman's earnings are not less than \$55 a week. Where the earnings are less than \$55 a week, the actual amount of earnings is payable.

The minimum payment for permanent total disability was raised to \$250 a month from the previous \$175. Minimum awards for permanent partial disability are proportionate to the new minimum. These minimum amounts apply to all pension payments on or after July 1, regardless of the date of accident.

CLAIMS

The volume of claims reported last year reached a record high of 418,438. Thirty-seven per cent of the claims were for compensation or "lost time" accidents, almost 62 per cent were for medical aid only, and less than one per cent, a total of 340, were fatal claims.

Major changes in claims handling systems over the past four years are now producing significant improvements in speed and accuracy. In addition Ontario employers have responded to the Board's request for

prompt reporting to reduce delays in processing claims. A recent survey indicated that as a result of priority processing 66 per cent of initially allowed claims were paid within 10 days of the accident, and 87.6 per cent within 15 days.

A total of 10,233 pensions for permanent disabilities were awarded during 1973, and 956 awards were increased.

On average, 2,125 new and continuing compensation payments were made daily.

The Board has extended its policy to provide full benefits to injured workmen who are physically able to return to modified work but do not have an immediate job.

The new policy, effective from October 1, 1973, directed that: "In every case where a workman in receipt of compensation for temporary total disability is certified fit to perform suitable modified work entitling him to benefits for temporary partial disability, and work is not available to him, the payment of total disability benefits may be continued for a period up to six weeks from the date that the workman was capable of returning to suitable employment."

Vocational assistance is provided in such cases to help the partially disabled worker obtain suitable employment, and the extended benefit helps bridge the gap between partial recovery and return to work.

Appeals

The Board's appeal system exists to ensure that every decision from one of the Board's operating departments which is disputed can be thoroughly re-examined.

The appeal system has three levels, the Review Committee, the Appeal Tribunal and the Workmen's Compensation Board.

Last year the Review Committee handled 5,050 appeals, the Appeal Tribunal heard 1,581, and 373 appeals were presented to the Board.

FINANCIAL RESERVES

All outlays, expenses and payments of compensation under the Act in respect of Schedule 1 are made from the accident fund. The Board is required to maintain the accident fund, including the funds provided for pension payments, but excluding any funds provided for

contingencies, at a level which will be sufficient to meet all compensation payments as they become payable. The fund must also be maintained so as not to unduly or unfairly burden the employers in any class in future years with payments that are to be made in those years in respect of accidents that have happened previously.

As a general policy, the capitalized value of pensions is funded when the award is made. In this way funds will be available for the related benefits when they become payable and employers will not be assessed for the costs in future years. A similar procedure is followed for the future costs of existing claims, whereby the liability is actuarially determined and funds retained in the accident fund to meet this obligation.

When existing pensions are increased by legislative amendment, the Board follows the practice of financing the additional cost through amortization of the capitalized value of the pension increase over a ten-year period. In this way, the adjustments to pensions which were awarded over a period of years are also financed over a term of years. Otherwise, the employers would be unfairly burdened if the capitalized value of the increase were funded in the

year the legislation became effective. The capitalized value of pension increases relating to 1973 legislative amendments was \$53,259,970. When viewed against the amount of \$48,831,000 actually awarded in pension benefits during the 1973 calendar year, it is obvious that the Contingency Balance as at December 31, 1973, would be seriously distorted if the capitalized value of the 1973 legislative pension increases were reflected in the balance of this account at the end of that year. Reference to our method of funding this cost is included in the actuary's certificate appended to the audited financial statements for the year.

Where considered proper, the Board may provide a contingency fund to be used to meet the loss arising from any disaster or other circumstance that, in the opinion of the Board, would unfairly burden the employers in any class. The optimum level for the contingency fund is recommended by the Board's consulting actuary. As at December 31, 1973, the amount of \$8,082,311 was provided for disasters and rate stabilization, and the amount of \$25,756,477 is shown in the Balance Sheet as the Contingency Balance of Schedule 1 Employers. The provision for contingencies is determined by the officers of the Board, based on financial experience and the advice of the consulting actuary.

VOCATIONAL REHABILITATION

The number of injured workers using the facilities of the Vocational Rehabilitation Branch has again shown a substantial increase. During 1973, there were 16,340 referrals compared with 15,333 in the preceding year.

Wide use was made of community organizations and medical guidance to assist the adjustment of the individual. The policy of dealing with the whole man and his personal adaptability was continued as extensively as possible. Industry assisted by responding to work trial programs and affording training opportunities. Extensive efforts were carried out to achieve selective placement following temporary incapacity and severe interruption of work and daily living. Various training institutions, Manpower facilities, physical rehabilitation specialists and assessment centres co-operated in the process of vocational rehabilitation.

The possibility of an extensive and continuing drain on public resources is avoided through the rehabilitation process with the added benefit of avoidance of extensive human misery, often the lot of those without guidance and counsel at crucial times. The savings in lost income and to the economy as a whole are virtually incalculable.

During 1973, some of the activities of the Vocational Rehabilitation Branch included:

3,823 workers interviewed at the Board's Head Office;
5,537 workers served at the Board's Rehabilitation Centre;
1,241 requests for commutation of pensions handled;
1,085 requests dealt with from workers temporarily
partially disabled having no permanent disability;
5,537 disabled workers required additional special
services.

During the year, 1,169 workers were placed on training programs, while another 403 continued on programs started before the first of the year. Seven hundred completed their training programs, and by year-end 93 per cent were either working or receiving additional training prior to job placement, with placement pending in another four per cent. Three per cent were not seeking jobs, due largely to decreased physical ability.

The predominant training classifications were educational upgrading, training on-the-job, technical courses, post-secondary education and business courses.

The major types of training were academic education, welding, mechanics, small appliance service, cabinet making, jewellery arts, clerical and sales.

REHABILITATION CENTRE

The Board's Rehabilitation Centre at Downsview is one part of a co-ordinated program to assist the injured worker in resettlement and return to work.

The Centre provides balanced programs of medical assessment, convalescence, physical rehabilitation, and vocational and physical assessment. Special programs are designed to care for major amputees, chronic back disabilities, general trauma, and neurology problems.

During 1973, 5,626 patients were discharged. Of these, 3,326 were ready for employment on discharge. Those not available for employment were temporary discharges or those referred back to physicians or surgeons for further treatment. Fifty-seven per cent of those ready for employment were directed to work immediately on leaving the Centre. Twenty-seven per cent were referred to the Board's Field Vocational Rehabilitation Services for further assistance in placement or vocational retraining. The remainder had no significant disability, were retired, or otherwise did not require field service.

One hundred and fifty-eight patients were admitted for counselling service only, for assessment of job capability.

The average length of stay in the Centre was 30 days.

The Centre has received full accreditation from the Canadian Council on Hospital Accreditation.

The Centre has an active recreation program for patients after treatment hours and on weekends. This includes special events such as special dinners, barbecues during the summer, and visiting bicycle races.

There is an active in-service training program for staff to maintain high quality of service and knowledge of up-to-date techniques. In addition, the Centre is associated with the University of Toronto, Department of Rehabilitation Medicine in the training of Physical and Occupational Therapists. The Centre is approved by the Royal College of Physicians and Surgeons of Canada for partial training of doctors in the specialties of rehabilitation medicine and orthopaedic surgery.

Numerous visitors were received during the year, and foreign visitors came from countries such as New Zealand, Japan, Australia, India, South Africa and the U.S.A.

MEDICAL

The Board's medical staff maintains constant liaison with significant areas of specialized and general medicine

in order to ensure that compensation patients receive the benefit of the most effective treatment modern medicine can provide.

The Board, through its medical services, co-sponsors an annual Fracture and Trauma Course in co-operation with the University of Toronto. The course last year dealt with Trauma to the Spine and Spinal Cord, and featured papers by medical specialists of international renown from England, the United States and Canada.

The Board and the University of Western Ontario also sponsored a seminar on hand injuries at the University in London, Ontario.

Individual medical staff gave lectures to and attended a number of other medical meetings, including the Industrial Health Conference in Quebec City and all district meetings of the Ontario Medical Association.

Monthly lectures were given by the Board's medical experts in Industrial Noise Deafness to the meetings of the Industrial Accident Prevention Association.

The Board considers continuing research to be an integral part of its operations, and it has a large source of clinical information available for that purpose.

Financial support has been given in past years to a variety of orthopaedic research projects, most of which have been published in scientific journals.

Although some research has been of a basic nature, most of it has been directed specifically to clinical evaluation of post-injury results. Through continued research, the Board feels that newer, better methods of medical management of the patient and his disabilities may be found.

Last year, the Board financed two major research projects: a review of disabilities produced by fracture dislocations of the elbow, and further studies into fractures of the hip joint.

TASK FORCE

The Task Force appointed by the Ministry of Labour to examine the administration of the Workmen's Compensation Board produced its report in August of 1973.

The report recommended 28 changes in nine areas -- management framework, adjudication, financial management, rehabilitation, safety education, human resources, administrative services, facilities and public information.

An Implementation Steering Committee, established to put the Task Force recommendations into effect, appointed four teams to work concurrently in the general areas of facilities, organization, adjudication and administration.

Most of the recommended changes are scheduled to become effective during 1974.

LEGAL

When a worker under Schedule 1 is injured in an accident involving a third party (i.e. an individual not covered by compensation under Schedule 1) he may elect to take action against the third party rather than accept compensation benefits. If his action is not successful, or if the settlement is less than the benefits he would have received from a compensation claim, the Board may bring his benefits up to full entitlement.

If the injured worker elects to accept compensation benefits, he transfers to the Board his right to legal action. If the action produces a settlement or judgment that is greater than his compensation entitlement, the Board pays the surplus to the worker.

Last year third party recoveries totalled more than \$1.2 million, exceeding the million-dollar figure for the first time.

DISTRICT OFFICES

The Board has six District Offices located at Kitchener, Ottawa, Windsor, Thunder Bay, Sudbury and North Bay.

The District Offices represent the Board in a variety of ways.

Audit staffs working out of District Offices conduct year-round payroll audits of firms covered under Schedule 1, and each office is responsible for collecting delinquent assessments from employers in its area.

Vocational Rehabilitation Officers are stationed at District Offices to work closely with disabled workers and employers in their areas to obtain suitable job placement.

The District Office is the focal point for injured men and women who may have problems with their claims. The offices have speedy access to full information on claims by telephone or teletype, and can provide answers or clarify misunderstandings that may arise.

District Office personnel meet regularly with labour groups and employers, accept speaking engagements, serve on labour and management committees and, in general, attend to affairs of the Board in their areas of operations.

The six District Offices last year collected almost \$1-1/2 million in assessments, obtained 5,414 claims statements, and registered 2,861 newly established firms with a total payroll of more than \$57 million.

The total caseload of regionally based Rehabilitation Officers for vocational rehabilitation amounted to 1,245.

District Office personnel during 1973 attended almost 700 meetings on Board business.

When appropriate, District Managers will establish pre-advertised temporary bases of operations in outlying communities and discuss at first hand individual problems of workmen and employers.

PROJECT FACTS - Cambridge Guelph

Improved safety records at firms where employees were early participants in Project FACTS (First Aid Community Training for Safety) resulted in a surge in response which brought year-end "trained" totals to just over 1,575 in the Cambridge-Guelph area.

This project is the second phase of Project FACTS. The first phase came to a successful conclusion after operating for two and a half years in Orillia.

Launched in mid-1973 as a program to demonstrate that persons trained in basic First Aid are less likely to be involved in accidents, the Cambridge-Guelph Project FACTS effort is being carefully documented by a York University research team which will endeavour to draw specific conclusions as to its effectiveness by making before and after comparisons. The approach in Cambridge-Guelph is to

work through local industry and business in a concerted effort to have the bulk of the work force in the two communities First Aid trained. With accident statistics for area firms already well documented over the years it will then be possible to make the proposed before-after comparisons.

Among significant features as the program approached the end of 1973 was the growth in enrolment from employees at firms which had already had a few people trained. The indication is that both management and employees of companies already involved in the program were quick to recognize its advantages and eager to extend them.

Sixty-six instructors were trained in a 40-hour method of instruction course, many of them in-plant personnel.

Project FACTS is sponsored by the Workmen's Compensation Board and operated by St. John Ambulance, Ontario Council.

STAFF

The number of Board employees at December 31, 1973, totalled 1,714, an increase of 76 over the previous year.

Staff distribution (with 1972 figures in brackets) was: Head Office 1,067 (1,001), Rehabilitation Centre 308 (315), Safety Associations 285 (266), District Offices 36 (36), Chest Examining Stations 18 (20).

People who wish to deal with the Board in a language other than English can, in almost every case, be accommodated by Board employees, 236 of whom can interpret in a total of 35 languages.

Participation in training programs within the Board increased substantially during the year, with 402 employees taking a variety of courses such as supervisory and management development, effective listening, human relations, report writing and other general courses as well as those designed to meet the needs of specific departments. Two hundred and forty-nine employees participated in induction programs.

The Tuition Assistance Plan for employees who wish to pursue higher academic degrees or further their job-oriented business education enrolled 84 staff members in a total of 143 courses.

Dated at Toronto this 17th day of June, 1974

THE WORKMEN'S COMPENSATION BOARD, ONTARIO

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1973

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WINSPEAR HIGGINS STEVENSON & CO.

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1.

AUDITORS' REPORT

The Chairman and Members of
The Workmen's Compensation Board, Ontario
Toronto, Ontario.

We have examined the balance sheet of The Workmen's Compensation Board, Ontario as at December 31, 1973 and the summaries of transactions on behalf of Schedule 2 employers, changes in funded liabilities and accumulated provisions, staff superannuation fund of the Board and the safety associations, and the contingency balance of Schedule 1 employers for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We have relied upon the certificate of the Board's Consulting Actuaries in respect of the funded liabilities and the accumulated provisions. We have also relied upon the report of the actuaries in respect of the Staff Superannuation Fund (see Note 5).

In our opinion these financial statements present fairly the financial position of the Board as at December 31, 1973 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied, after giving effect to the change in accounting for legislative pension increases referred to in Note 3 to the financial statements, with which we concur, on a basis consistent with that of the preceding year.

Toronto, Canada
March 12, 1974.

Winspear Higgins Stevenson & Co.
Chartered Accountants.

ACTUARIES' CERTIFICATION
concerning
THE BOARD'S SCHEDULE 1 PENSION FUND
AND
THE BOARD'S ACCUMULATED PROVISIONS FOR CONTINGENCIES
with respect to
THE SCHEDULE 1 ACCIDENT FUND
- as at 31st December, 1973 -

1.(ii)

This is to certify that, in our opinion, based upon periodic review and investigation, the Schedule 1 Pension Fund of the Workmen's Compensation Board, Ontario, was soundly and satisfactorily financed as at 31st December 1973, at which time it had assets-on-hand in the amount of \$329,426,566 and contingent assets of \$61,404,200, which are being funded by annual instalments, with the final payment being on or before 31st December 1982.

This is to certify that in our opinion, based upon review of experience to date, the Accumulated Provisions maintained by The Workmen's Compensation Board, Ontario in its Schedule 1 Accident Fund for their respective stated purposes are each satisfactory and reasonable in relation to the requirements indicated by such experience.

Such Accumulated Provisions and the amounts thereof as at 31st December 1973 are:

- for Asbestosis	\$ 169,196
- for Silicosis *	7,676,077
- for Second Injury	13,879,305
- for Disasters and Stabilization	8,082,311

*plus contingent assets of \$2,985,400 being funded by annual instalments ceasing on or before 31st December 1982.

Devitt-McClure Ltd.

Per:



Donald R. McClure
Fellow, Faculty of Actuaries
Fellow, Canadian Institute of Actuaries

April 3, 1974.

THE WORKMEN'S COMPENSATION BOARD, ONTARIO

BALANCE SHEET

DECEMBER 31, 1973

A S S E T S

	<u>1 9 7 3</u>	<u>1 9 7 2</u>
Cash	\$ 914,895	\$ 1,002,134
Short term deposits	59,536,248	50,300,000
Investments - not in excess of amortized cost	487,684,926	441,686,862
Accrued investment income	10,074,549	9,151,503
Accounts receivable	660,263	713,127
Assessments receivable (Note 1)	24,665,490	17,529,028
Share of administrative expenses and other balances recoverable from Schedule 2 employers	2,044,082	2,216,845
Prepaid administration expenses	75,284	98,494
Land, buildings and equipment - at cost less accumulated depreciation - \$7,124,200 (Note 2)	14,857,530	15,017,260
Legislated pension increases to be recovered in future years (Note 3)	<u>64,389,600</u>	<u>17,256,600</u>
	<u>\$664,902,867</u>	<u>\$554,971,853</u>

Approved on behalf of the Board

Michael Starr
Chairman

Allen Du
Vice-Chairman of Administration

L I A B I L I T I E S

	<u>1 9 7 3</u>	<u>1 9 7 2</u>
Administration expenses accrued and payable	\$ 1,214,268	\$ 1,509,945
Estimated additional cost of existing claims (including \$64,389,600 for pension increases - Note 3)	236,789,300	171,564,800
Deposits of Schedule 2 employers	4,707,563	4,643,903
Funded liabilities and accumulated provisions (Note 4)	359,241,858	313,878,141
Staff Superannuation Fund of the Board and the Safety Associations (Note 5)	37,193,401	33,588,541
Contingency balance of Schedule 1 employers (Note 3)	25,756,477	29,786,523
	<u>\$664,902,867</u>	<u>\$554,971,853</u>

See notes to financial statements.

SUMMARY OF TRANSACTIONS ON BEHALF OF SCHEDULE 2 EMPLOYERSYEAR ENDED DECEMBER 31, 1973

	<u>1 9 7 3</u>	<u>1 9 7 2</u>
Reimbursements received from employers	\$15,001,198	\$13,750,951
Income from investments	<u>173,686</u>	<u>169,016</u>
	\$15,174,884	\$13,919,967
<u>Deduct</u>		
Benefits to workmen		
Compensation	\$ 5,567,168	\$ 5,278,436
Medical aid	3,809,596	3,676,141
Pensions paid	5,651,140	4,825,790
Rehabilitation	<u>83,320</u>	<u>59,340</u>
	\$15,111,224	\$13,839,707
Increase in deposits during the year	\$ 63,660	\$ 80,260
Deposits of Schedule 2 employers, beginning of year	<u>4,643,903</u>	<u>4,563,643</u>
Deposits of Schedule 2 employers, end of year	<u>\$ 4,707,563</u>	<u>\$ 4,643,903</u>

See notes to financial statements.

THE WORKMEN'S COMPENSATION BOARD, ONTARIO

SUMMARY OF CHANGES IN FUNDED LIABILITIES AND ACCUMULATED PROVISIONS

YEAR ENDED DECEMBER 31, 1973

	<u>Deferred Compensation</u>
Amounts Provided	
Direct assessment of employers	
Provided from the assessments of Schedule 1 employers	
Income from investments	\$ 99
Awards charged to Schedule 1 employers	
- for Deferred Compensation	38,160
- for Pensions	
Awards charged to Silicosis - for Pensions	
	<hr/>
	\$ 38,259
	<hr/>
Amounts Applied	
Paid to claimants	\$ 29,856
Administration including examining stations, referee boards, X-rays, etc.	
Transfers to the Contingency Balance of Schedule 1 Employers	
Awards by Silicosis - transferred to Pensions	
	<hr/>
	\$ 29,856
	<hr/>
Net increase	\$ 8,403
Balance, beginning of year	<hr/>
Balance, end of year	\$ 8,403
	<hr/> <hr/>

See notes to financial statements.

Funded Liabilities Pensions	Accumulated Provisions				1 9 7 3 total	1 9 7 2 total
	Asbestosis	Silicosis	Second Injury	Disasters and Stabilization		
		\$1,360,467			\$ 1,360,467	\$ 1,136,336
\$ 20,757,959	\$ 11,046	250,000 493,180	\$13,573,593 704,891	\$ 1,939,085 613,031	15,762,678 22,580,206	11,710,760 18,396,690
57,169,604					38,160	
1,239,486					57,169,604	39,288,439
\$ 79,167,049	\$ 11,046	\$2,103,647	\$14,278,484	\$ 2,552,116	1,239,486 \$ 98,150,601	808,704 \$ 71,340,929
\$ 37,729,398		\$ 151,008			\$ 37,910,262	\$ 32,071,482
		419,609			419,609	375,157
		1,239,486	\$10,742,370	\$ 2,475,157	13,217,527	9,975,109
\$ 37,729,398		\$1,810,103	\$10,742,370	\$ 2,475,157	1,239,486 \$ 52,786,884	808,704 \$ 43,230,452
\$ 41,437,651	\$ 11,046	\$ 293,544	\$ 3,536,114	\$ 76,959	\$ 45,363,717	\$ 28,110,477
287,988,915	158,150	7,382,533	10,343,191	8,005,352	313,878,141	285,767,664
\$329,426,566	\$ 169,196	\$7,676,077	\$13,879,305	\$ 8,082,311	\$359,241,858	\$313,878,141
Funded liabilities					\$329,426,566	\$287,988,915
Accumulated provisions					29,815,292	25,889,226
					\$359,241,858	\$313,878,141

SUMMARY OF CHANGES IN THE STAFF SUPERANNUATION FUND
OF THE BOARD AND THE SAFETY ASSOCIATIONS

YEAR ENDED DECEMBER 31, 1973

	<u>1 9 7 3</u>	<u>1 9 7 2</u>
Contributions received		
From the Board and staff	\$ 2,087,812	\$ 1,923,273
From the Safety Associations and staff	<u>519,129</u>	<u>498,237</u>
	\$ 2,606,941	\$ 2,421,510
Income from investments	<u>1,785,050</u>	<u>1,709,134</u>
	\$ 4,391,991	\$ 4,130,644
<u>Deduct</u>		
Pensions paid	\$ 641,456	\$ 672,324
Contributions refunded to staff	<u>145,675</u>	<u>299,582</u>
	\$ 787,131	\$ 971,906
Increase in the fund for the year	\$ 3,604,860	\$ 3,158,738
Balance of the fund, beginning of year	<u>33,588,541</u>	<u>30,429,803</u>
Balance of the fund, end of year (Note 5)	<u>\$37,193,401</u>	<u>\$33,588,541</u>

See notes to financial statements.

STATEMENT OF INCOME AND SCHEDULE 1 EMPLOYERS' CONTINGENCY BALANCEYEAR ENDED DECEMBER 31, 1973

	<u>1 9 7 3</u>	<u>1 9 7 2</u>
Income		
Assessments, penalties, etc.	\$205,933,340	\$168,499,923
Investments	9,701,712	10,181,460
	<u>\$215,635,052</u>	<u>\$178,681,383</u>
Expenditure		
Benefits for workmen		
Compensation	\$ 82,619,946	\$ 73,868,641
Medical aid	34,782,472	31,854,640
Rehabilitation	1,960,089	1,297,099
Pension awards	57,169,604	36,627,238
Deferred compensation awards	38,160	
	<u>\$176,570,271</u>	<u>\$143,647,618</u>
Other outlays		
Mine rescue work	\$ 234,112	\$ 264,644
Accident prevention	7,017,884	6,404,963
Administration	11,594,407	10,341,783
Medical and investigating services	2,255,802	1,993,649
	<u>\$ 21,102,205</u>	<u>\$ 19,005,039</u>
Provisions		
Additional claim liability	\$ 18,091,501	\$ 14,707,900
Uncollectible assessments	1,355,970	783,643
Accumulations for		
Second injury	13,573,593	10,903,121
Disasters and stabilization	1,939,085	807,639
Silicosis	250,000	
	<u>\$ 35,210,149</u>	<u>\$ 27,202,303</u>
Total expenditure	<u>\$232,882,625</u>	<u>\$189,854,960</u>
Transfers from accumulated provisions		
Second injury	\$ 10,742,370	\$ 8,494,642
Disasters and stabilization	2,475,157	1,480,467
	<u>\$ 13,217,527</u>	<u>\$ 9,975,109</u>
Excess of (expenditure over income)(Note 7)	(\$ 4,030,046)	(\$ 1,198,468)
Schedule 1 employers' contingency balance, beginning of year		
As previously reported		16,562,570
Adjustment of pension awards resulting from 1971 legislative amendments (Note 3)		21,038,132
Amortization of 1971 legislative amendments in prior years (Note 3)		(3,781,532)
Adjustment of annual transfer (re legislative amendments) to funded liabilities - pensions (Note 4)		(2,834,179)
As restated	29,786,523	\$ 29,786,523
Schedule 1 employers' contingency balance, end of year	<u>\$ 25,756,477</u>	<u>\$ 29,786,523</u>

See notes to financial statements.

WINSPEAR HIGGINS STEVENSON & CO.

THE WORKMEN'S COMPENSATION BOARD, ONTARIO

7.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1973

1. Assessments receivable comprise the following amounts:

	<u>1 9 7 3</u>	<u>1 9 7 2</u>
Amounts billed less allowance for uncollectibles	\$ 9,867,490	\$ 8,112,428
Estimated assessments receivable on adjusted 1973 payroll	<u>14,798,000</u>	<u>9,416,600</u>
	<u>\$24,665,490</u>	<u>\$17,529,028</u>

2. (a) In 1972, the Board entered into an agreement to sell the land and building presently occupied by its Head Office, for an amount of \$3,500,000, representing a gain of approximately \$900,000. This transaction will be completed subsequent to the Board's move to its new Head Office facilities in 1974.
- (b) The land, buildings and equipment of the Board include the cost of land amounting to \$6,390,912 which the Board is leasing to a third party for ninety-nine years. The annual rental is recorded by the Board as part of its investment income.
- (c) The Board has agreed to lease accommodation for its Head Office in an office complex under construction. The lease will be for an initial term of twenty years at an annual rental of approximately \$1,575,000 and an optional renewal term of ten years at fair market rental. The lease will commence upon the Board's occupation of the premises during 1974.
- (d) The Board follows the practice of providing for depreciation on a straight line method, at the following rates per annum:

Buildings	2½%
Equipment	20 %
Motor vehicles	33 1/3%

3. The established Board practice for financing increases in existing pension benefits related to legislative amendments is to recover the costs over a period of years through adjustments in the assessment rates charged to employers. In prior years the full amount required to capitalize the total value of such benefit increases was charged to the Contingency Balance at the effective date of the legislative amendments and thereby reflected in statements showing the financial position of the Board as an operating cost for the year in which the amendment became effective. The effects of the 1973 amendments were of such magnitude that the level of the Contingency Balance would be unduly impaired if charged in accordance with the practice followed in former years. The Board has, therefore, resolved to discontinue the prior accounting policy and to distribute annual charges to the Contingency Balance over a period which will conform to the allocation of costs to operating expenditures. Retroactive adjustments have been made to the prior year to give effect to this policy change. If the previous practice had been continued, the Contingency Balance at year end would have been a deficit of \$38,633,123.

THE WORKMEN'S COMPENSATION BOARD, ONTARIONOTES TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 1973

The change in accounting policy adopted by the Board has necessitated a restatement of the Contingency Balance by reversing the previously capitalized value of the 1971 legislative amendments and recoveries related thereto, in the amount of \$21,038,132 and \$3,781,532 respectively, as at December 31, 1972.

The Board is continuing to reflect the present value of future transfers to the funded liability for pensions as part of the estimated cost of additional claims amounting to \$64,389,600 (1972 \$17,256,600) but pursuant to the change in accounting policy, the recoveries, by adjustment of assessment rates over a period of future years, are now shown as a deferred asset.

4. In addition to the accounting changes described in Note 3, it has been necessary to provide an amount of \$2,834,179 representing the 1972 funding of the pension increases related to the 1971 amendments. This amount, together with a transfer of \$157,669 from the accumulated provisions for silicosis (also related to the 1972 funding) resulted in the funded liabilities for pensions at December 31, 1972 being increased from \$284,997,067 to \$287,988,915.
5. The most recent actuarial valuation of the Staff Superannuation Fund was made as at January 1, 1973. This valuation indicated that the plan required additional funding of approximately \$2,000,000 in order to ensure that all benefits under the plan will be provided in full when due. The actuary has certified that the plan would be adequately funded if the Board continues to make special contributions of \$300,000 per annum (commenced in 1972) until further review results in a revision of such annual funding.
6. Certain of the 1972 comparative items have been regrouped and reclassified to conform with the 1973 format restatement. In addition, the Board has adopted the policy of making full recovery for the Hospital and Rehabilitation Centre expenses from Medical Aid and other accounts, rather than absorbing a portion of those costs as "other outlays". (For 1972 the amount absorbed was \$23,284.) The change has no effect on the net income for the year.
7. The excess of expenditure over income for the year is mainly attributable to an expenditure of \$6,469,413 representing the Board's funding for 1973 of the 1973 legislative amendments, provision for which was not included in the assessment rates established for the year.

ADMINISTRATION EXPENSES

YEAR ENDED DECEMBER 31, 1973

	<u>1 9 7 3</u>	<u>1 9 7 2</u>
Salaries and employees' benefits	\$12,033,349	\$10,574,780
Field staff expenses	371,875	320,509
Stationery and office supplies	405,501	417,418
Other supplies and expenses	113,546	97,790
Building maintenance	364,029	356,979
Equipment rental	359,366	380,124
Equipment maintenance	44,662	37,785
Communications and publications	716,999	709,431
Rent	66,571	63,240
Credit reports and legal expenses	72,234	84,991
Auditors' and actuarial services	35,900	33,250
Insurance and security services	84,796	85,586
Depreciation of equipment	71,884	64,244
Depreciation of building	97,843	106,665
Special contribution staff superannuation fund	239,333	237,100
Miscellaneous	<u>325,556</u>	<u>230,364</u>
	\$15,403,444	\$13,800,256
Head Office administration services performed for Other Divisions	<u>3,809,037</u>	<u>3,458,473</u>
Total charged to Schedule 1 Employers	<u>\$11,594,407</u>	<u>\$10,341,783</u>

HOSPITAL AND REHABILITATION CENTRE EXPENSESYEAR ENDED DECEMBER 31, 1973

	<u>1 9 7 3</u>	<u>1 9 7 2</u>
Salaries and employees' benefits	\$ 3,614,989	\$ 3,435,154
Stationery and office supplies	23,258	41,099
Other supplies and expenses	134,193	120,159
Building maintenance	191,259	176,808
Equipment maintenance	25,156	13,648
Vehicle maintenance	7,369	8,646
Communications	44,068	39,547
Cafeteria	444,107	325,717
Depreciation of equipment and furniture	38,217	34,580
Depreciation of buildings	184,952	180,589
Insurance and security services	124,285	113,207
Miscellaneous	66,830	54,285
Head office administrative services	<u>111,720</u>	<u>111,720</u>
Total expenses (recovered from Medical Aid and Other Accounts)	<u>\$ 5,010,403</u>	<u>\$ 4,655,159</u>

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ANNUAL REPORT 1974



WORKMEN'S COMPENSATION BOARD

ONTARIO

ANNUAL REPORT

1974

WORKMEN'S COMPENSATION BOARD

GENERAL REVIEW FOR 1974

Workmen's Compensation Board

Head Office: 2 Bloor Street East, Toronto, Ontario

To Her Honour The Lieutenant-Governor:

The Workmen's Compensation Board is pleased to submit its annual report of operations for 1974.

INTRODUCTION

The number of work injuries reported to the Board during 1974 totalled 443,234, an increase of approximately 6 per cent over the previous year.

Benefits awarded under the Act amounted to more than \$261 million, an increase of some \$20 million over 1973.

SUMMARY OF OPERATIONS

	<u>1 9 7 4</u>	<u>1 9 7 3</u>
Payroll upon which assessment revenue was based	\$ 17,907,107,832	\$ 15,494,373,937
Incidents reported as work injuries	443,234	418,438
<u>SCHEDULE 1 OF THE ACT</u>		
<u>Schedule 1 Benefits Awarded</u>		
Medical Aid	\$ 37,163,781	\$ 34,782,472
Compensation	103,603,203	82,658,106
Rehabilitation	2,736,125	1,960,089
Pensions Awarded	54,278,081	48,038,989
	197,781,190	167,439,656
Legislated Pension Increases	37,800,670	50,907,815
	235,581,860	218,347,471
<u>Silicosis Benefits</u>		
Medical Aid	99,744	80,668
Compensation	118,501	65,462
Rehabilitation	15,630	4,878
Pensions	2,044,882	792,527
	2,278,757	943,535
Legislated Pension Increases	838,427	2,352,154
	3,117,184	3,295,689
TOTAL AWARDS UNDER SCHEDULE 1 OF THE ACT	238,699,044	221,643,160
<u>SCHEDULE 2 OF THE ACT</u>		
<u>Schedule 2 Benefits Paid</u>		
Medical Aid	3,744,223	3,809,596
Compensation	6,977,322	5,567,168
Rehabilitation	108,702	83,320
Pensions Paid *	6,668,141	5,651,140
	17,498,388	15,111,224
Compensation paid directly by Schedule 2 employers	4,971,275	4,264,926
TOTAL BENEFITS PAID UNDER SCHEDULE 2	22,469,663	19,376,150
TOTAL AWARDS/BENEFITS PAID BOTH SCHEDULES	\$ 261,168,707	\$ 241,019,310

* Capitalized value of Schedule 2 pensions awarded during 1974 was \$6,322,341

A YEAR OF CHANGE

During 1974, major organizational and procedural changes were instituted or planned by the Board.

These changes, in effect, implemented many of the recommendations of the Task Force Report submitted in August, 1973.

One of the most significant developments was a complete reorganization -- which took place largely during 1974 -- of the Board's staff into six operating Divisions.

These Divisions are, with their responsibilities:

Claims Services Division -- adjudication and processing of all claims, including medical aid, compensation and pensions; and claims counselling and information services.

Rehabilitation Services Division -- supervision and provision of medical care and rehabilitation to injured workers, provided by medical advisers, specialists and consultants at Head Office; the Vocational Rehabilitation Branch; and the Board's Hospital and Rehabilitation Centre at Downsview, Ontario.

Financial and Legal Services Division -- accounting, revenue, assessment, collection, audit, and similar functions; and legal services.

Human Resources Division -- organization planning and development, staff relations, staffing, salary administration, and related functions.

Administrative Resources Division -- systems development and data processing, records management, office services, statistical services, and similar support functions.

Public Affairs Division -- external and internal communications programs, media relations, and other Public Relations functions; and the Council of Safety Associations, which coordinates the activities of the nine safety associations financed by the Board.

The Board's appeals process comes under the jurisdiction of the Vice-Chairman of Appeals. During the year, following Task Force recommendations, significant changes were planned for the appeals system. These changes are outlined in a subsequent section entitled "Appeals". Another section, "Amendments to the Act", describes a realignment of Commissioners' functions, introduced by legislative changes.

Also in 1974, the Board's Head Office was moved -- a major undertaking that will facilitate the expansion of many services as required by the Task Force.

At the same time that these various, and sometimes unsettling, changes were in process, the Board and its staff produced a record volume of work in its prime function under the Act: providing medical aid, compensation and rehabilitation for the injured workers of Ontario.

AMENDMENTS TO THE ACT

Two important Bills to amend the Workmen's Compensation Act came into effect in 1974.

Bill 269 was passed in December, 1973. Some sections of this bill took effect in January, 1974; the most comprehensive section -- reorganizing the structure of the Workmen's Compensation Board and providing the basis for a revised appeals procedure, in line with Task Force recommendations -- took effect in March, 1974. Bill 116 was passed June 28, 1974 and came into force July 1, 1974.

Bill 269

Benefit improvements introduced by Bill 269 included compensation for widowers on the same basis as

for widows, revised minimums for personal coverage and for volunteer firemen, coverage for municipal volunteer ambulance brigades, and a provision for permanent disability pensions for industrial diseases on the same basis as for injury.

In brief, the reorganization section in Bill 269 introduced the following executive structure:

- . The Chairman is the chief executive officer.
- . The Vice-Chairman of Administration is the chief administrative officer, under the general supervision of the Chairman.
- . The Vice-Chairman of Appeals is the chief appeals officer, under the general supervision of the Chairman.
- . The other Commissioners (including the Commissioners of Appeals) assist the Vice-Chairman of Appeals in performance of his duties.
- . The Commissioners of Appeals, along with the Chairman and the Vice-Chairmen, comprise the Corporate Board, which is responsible for all policy decisions.

The amendments with respect to appeals laid the legislative groundwork for the Board's new appeals system described in this report. Another amending section deleted the word "workman" (and its variants) throughout the Act, substituting the word "employee".

Bill 116

Essentially, this was a Bill to improve benefits.

Among the improvements were the following:

- . The earnings ceiling was increased from \$10,000 to \$12,000 -- raising the maximum weekly compensation payable from \$144.23 to \$173.08.
- . For temporary partial disability, full compensation may be paid indefinitely when a worker is unable to find suitable employment but cooperates in rehabilitation measures (removing the previous six-week time limit on such payments).
- . Compensation for dependent widows and widowers was raised by \$10 to \$260 per month.
- . The minimum pension for permanent total disability was raised by \$10 to \$260 per month, and children's benefits became payable in permanent total disability cases where pre-accident earnings were low.
- . Dependency pensions became payable to the dependants of permanently totally disabled workers following death from any cause.
- . Permanent disability pensions were increased by various percentages, depending on how long the pension was payable.

CLAIMS

During 1974, the Board's claims operations were

reorganized into a new Claims Services Division, in accordance with Task Force recommendations.

Three Branches have been established on the basis of major Divisional functions:

- Claims Adjudication
- Claims Information and Counselling
- Claims Review

Claims reported in 1974 totalled 443,234. Of this number, approximately 37 per cent were for compensation (or lost-time) accidents; 62 per cent involved only payment of medical aid; and less than one per cent (376 claims) were fatal injuries.

New awards for permanent disability totalled 8,468, while 1,022 previously established awards were increased. In addition, special supplementary pension awards and extensions of these numbered 832.

Intensive training of adjudicators was carried on during the year, with more than 150 personnel completing specialized courses developed by the Claims Services Division to meet the demands of reorganization and expansion.

Claims Adjudication Branch

One of the more important reorganizational changes introduced in 1974 has accelerated the processing of new claims.

Under a system already in effect for several years, all incoming claims are immediately segregated into medical aid claims (covering injuries where the worker returns to the job after treatment) and compensation (or lost-time) claims. These two types of claims are dealt with by separate Sections. Beginning in March, 1974, a further segregation process was instituted -- all incoming lost-time claims are immediately sorted into two groups:

- Claims which appear to be complex, or involve serious injuries likely to require the attention of senior adjudication, medical and vocational experts; these are handled by the Extended Disability Compensation Section.
- Claims which appear to be relatively uncomplicated and not likely to necessitate compensation payments for more than 13 weeks; these are routed to the Primary Adjudication Compensation Section, for processing as quickly as possible.

Adjudication is the process of determining whether a claim may be properly allowed under the Workmen's Compensation Act, and -- where compensation is payable --

deciding the amount. It is the Board's responsibility to ensure that all provisions of the Act are met. At the same time, it is the Board's function to respond as quickly as possible to the urgent needs of the injured worker.

Initial experience indicates that the new system for lost-time claims is successfully reconciling these different, and sometimes conflicting, requirements. Cheques are mailed within three days of receipt of the employer's accident report to 98 per cent of all workers whose claims are allowed by the Primary Adjudication Compensation Section.

Claims Information and Counselling Branch

This Branch provides claims information and counselling services in Metropolitan Toronto and other urban centres in Ontario.

In January, 1974, the Branch opened a pilot-project Information Centre at 952 College Street, Toronto. Between January 22 and December 31, 1974, this Centre serviced 3,975 inquiries, including 2,851 visits. Seven languages are spoken by the Centre's counselling staff.

During 1974, the Branch provided its services through Head Office facilities, the new College Street Information Centre, and six Area Offices -- Thunder Bay,

Sudbury, North Bay, Kitchener, Windsor, and Ottawa.

Also introduced in 1974 was a new system of "Visiting Counsellors". Area Offices which serve a large area instituted a system whereby claims counsellors visit other cities on a regular basis -- for instance, for one or two days every two weeks -- to make Board services more widely and conveniently available.

The year also saw a major expansion of counselling, interpreting and telephone-inquiry staff at Head Office.

Claims Review Branch

The Claims Review Branch was established late in 1974 to ensure a continued high quality of claims adjudication and to provide a review of all adverse decisions before the interested parties are so advised. The new review system -- an integrated function of the Claims Services Division -- was designed to complement the new appeals system instituted in January, 1975.

Personnel of the Claims Review Branch are especially skilled senior adjudicators with many years of experience. In addition to examining all adverse decisions, they will be responsible for conducting major studies related to claims adjudication performance and assisting in the determination of claims policies.

REHABILITATION SERVICES

In 1974, all the medical and paramedical resources of the Board and its rehabilitation services were combined into one comprehensive unit named the "Rehabilitation Services Division".

The stress in all such activities is on rehabilitation -- with consequent benefits not only for the injured worker, but also for the economy of the province.

Medical Branch

The Board's medical personnel are now organized in two groups: the treatment staff at the Downsview Hospital and Rehabilitation Centre, where there were 16 clinical physicians as of December 31, 1974; and the Medical Branch at the Board's Head Office, where, at year-end, 25 doctors were serving as medical specialists, consultants and advisers.

The function of the Medical Branch is to advise on adjudication, to maintain a cohesive and coordinated policy for treatment of injured workers, and to assure that excellent medical facilities and effective treatment programs are provided.

In support of these aims, the Board underwrites -- or cooperates with other sponsors in supporting -- a

number of educational and research activities.

With the University of Toronto, the Board continues to co-sponsor the Annual Fracture and Trauma Course, instituted in 1967. In 1974 an international guest faculty was organized in Toronto for a three-day discussion of "Trauma to the Lower Limb".

A similar seminar at the University of Western Ontario in London studied "Hand Injuries" in 1974. This is the third such course co-sponsored by U. of W. O. and the Board, in a continuing annual series.

The Board has made a three-year grant, commencing in 1974, to the Knee Evaluation Centre, a research project directed by Dr. Robert Jackson at Toronto General Hospital.

In 1974 the Board sponsored Stress Studies on Fractures of the Acetabulum and Pelvis at St. Joseph's Hospital, Toronto, conducted by Drs. Jeremy Plewes and George Pennal; and Foraminal Nerve Root Impingement, a research project at Wellesley Hospital, Toronto, conducted by Drs. Ian Macnab and John Krempe.

An edition of a monograph by Dr. Macnab, entitled "Backache", published by the Board in 1974, was distributed -- on request -- to Ontario general practitioners and specialists.

The foregoing activities were recommended for Board support by the Medical Branch as well designed to create

or disseminate medical knowledge that will greatly benefit injured workers.

During 1974, doctors with the Medical Branch presented a series of 12 lectures on anatomy, physiology and pathology for personnel of the Board's Vocational Rehabilitation Branch and Claims Services Division. Medical staff attended all District meetings of the Ontario Medical Association and were represented at the 1974 Industrial Health Conference at Niagara Falls, Ontario. Doctors from the Medical Branch continued to lecture on Industrial Noise Deafness at the University of Toronto, and at meetings of the Industrial Accident Prevention Association.

Vocational Rehabilitation

More in-depth vocational counselling, necessitating a greater commitment of time to complex cases, has been the policy of Vocational Rehabilitation in recent years. This trend has been supported by the training of new counsellors: strength of trained vocational counselling staff was 57 at the end of 1974, compared with 52 a year earlier.

In 1974, there were 15,968 referrals to the Vocational Rehabilitation Branch, compared with 16,340 in 1973. Carry-over of active cases from the previous year numbered 3,282 in 1974, compared with 3,318 in 1973.

Activities of the Vocational Rehabilitation Branch
in 1974 included:

- . 3,556 workers interviewed at the Board's Head Office.
- . 5,055 workers served at the Board's Hospital and Rehabilitation Centre.
- . 1,071 requests for commutation of pensions handled.
- . 1,194 requests dealt with from workers temporarily partially disabled and having no permanent disability.
- . 5,644 disabled workers required additional special services.
- . 1,311 workers were placed on training programs and another 572 continued on programs started before the first of the year.
- . 849 completed their training programs; by year-end, 85 per cent of these were either working or receiving additional training prior to job placement, with placement pending in another 12 per cent; while three per cent were not seeking jobs, due largely to decreased physical ability.

Predominant training classifications were -- in descending order -- educational upgrading, training on-the-job, technical courses, post-secondary education, and business courses. The major types of training continued to be academic education, welding, mechanics,

small appliance service, cabinet making, jewelry arts, clerical and sales, industrial sewing, and upholstery.

Hospital and Rehabilitation Centre

The Board's Hospital and Rehabilitation Centre comprises 317,768 square feet of floor space located on 65 acres in Downsview, a suburb of Metropolitan Toronto.

During 1974, 5,071 patients were discharged; of these, 3,217 were ready for employment. The comparable figures for 1973 are: 5,626 patients discharged, including 3,326 ready for employment. Other 1974 statistics:

- . 129 patients admitted for counselling service only, to assess job capability.
- . 56 per cent of those ready for employment were directed to jobs immediately on leaving the Centre.
- . Average length of stay: 29.4 days.

The Centre is approved by the Royal College of Physicians and Surgeons of Canada for partial training of doctors in rehabilitation medicine and orthopaedic surgery; and is fully accredited by the Canadian Council on Hospital Accreditation. Physical and occupational therapists are trained in association with the University

of Toronto, Department of Rehabilitation Medicine.

In addition to balanced programs of medical, physical and vocational reassessment, special programs are designed for major amputees, chronic back disabilities, general trauma, severe hand injuries and neurological problems.

Extensive recreation facilities are provided including pool tables, bowling alleys, indoor and outdoor shuffleboard, miniature golf, barbecue equipment, picnic tables, crafts facilities and instructors. The Berolina Cycling Club of Toronto stages annual races for junior and senior cyclists at the Centre's grounds. These are officially recognized by the Ontario Cycling Association.

In 1974, the Centre welcomed 981 visitors from the United States, Australia, New Zealand, England, France, Holland, Israel, Italy, Japan, Zambia and Canada.

APPEALS

Anyone whose interests are affected -- including workers and employers -- may appeal any decision made by the Board's operating Divisions under the provisions of the Workmen's Compensation Act. The Board's appeals system exists to ensure that decisions which are disputed can be carefully re-examined.

During 1974 extensive planning and administrative preparation was accomplished, leading to the introduction of a completely restructured appeals system on January 13, 1975.

Under the appeals system in effect in 1974, there were three levels of decision:

- . Review Committee
- . Appeal Tribunal
- . The Workmen's Compensation Board
(i.e., Commissioners)

Under the new appeals system, there is one level of decision: all appeals are decided by Commissioners of the Board. The Review Committee and Appeal Tribunal have been eliminated.

The new system routes incoming appeals through the Registrar of Appeals (a new function at the Board) to an Appeals Examiner (another new function). The Appeals Examiner studies all existing documentation; arranges, if desirable, for further investigation and an enquiry hearing; then reports to a Commissioner. The Commissioner may render a decision or refer the case directly to an Appeal Board, which always consists of three Commissioners. Anyone whose interests are affected, if dissatisfied with a single Commissioner's

decision, may request a hearing by an Appeal Board. A ruling by an Appeal Board concludes the regular appeals process, and is final in most cases.

In special cases -- for example where new evidence later becomes available -- a claim may be re-opened on an Application to Reconsider.

The new appeals system was developed from the recommendations of the 1973 Task Force Report. It is designed to be more expeditious, flexible, and responsive to the needs of injured workers -- while retaining the important qualities of thoroughness and justice.

In 1974, the Review Committee dealt with 4,949 appeals, the Appeal Tribunal heard 1,470 appeals, and Commissioners of the Board heard 369 appeals from Tribunal decisions.

RELOCATION OF HEAD OFFICE

From 1953 to 1974 the Board's Head Office was located at 90 Harbour Street in downtown Toronto.

In June, 1974, Head Office moved to 2 Bloor Street East, Toronto.

The Board's Head Office now occupies 15 floors in a new office tower at the intersection of the city's two main subway lines and two main traffic arteries --

Yonge and Bloor Streets. Head Office facilities are thus more readily accessible to visitors who travel by public transportation.

The growth of Ontario's economy and work force with a resulting increase in the Board's workload, combined with an expansion of the Board's activities, resulted in the Harbour Street premises becoming inadequate.

STAFF

At December 31, 1974, the total staff of the Board and the Safety Associations was 1,904, compared with 1,714 on the same date the previous year.

Staff distribution in 1974 was: Head Office 1,265, Hospital and Rehabilitation Centre 304, Safety Associations 294, and Area Offices 41.

In its 1973 Annual Report, the Board reported a staff of 18 at Chest Examining Stations. These stations were transferred from the Board's jurisdiction to the Ontario Ministry of Health on June 1, 1974.

In 1974, the Board had 243 bilingual or multilingual employees, providing a capacity to interpret in 33 languages. Handicapped employees numbered 73.

Staff Training and Education

A total of 328 new staff participated in induction and familiarization programs during 1974. In-house courses and training programs covered a range of subjects including letter writing, telephone training, instructional techniques and management development, with 894 employees participating. Under the Board's Tuition Assistance Plan, 89 staff members enrolled in 145 job-oriented or degree business courses. Other external professional development courses were attended by 23 employees.

FINANCIAL

At December 31, 1974, there were 143,709 employers reporting to the Board under Schedule 1, with a covered payroll aggregating \$17,907,107,832. This compares with 140,935 employers and a covered payroll of \$15,494,373,937 at December 31, 1973.

Total assessments for the calendar year 1974 amounted to \$260,961,000, compared with \$204,679,000 in 1973.

Assessment Rates

The assessment rate for each rate-number classification is reviewed annually by the Board, and adjusted where necessary in accordance with the financial position of

each rating classification. In 1974 there were 108 rate-number classifications and the rates of assessment charged Schedule 1 employers during the year averaged \$1.41 per hundred dollars of assessable payroll.

Investments

The Accident Fund portfolio valued on the basis of amortized cost amounted to \$580,538,000 at the end of 1974. This includes short and long term securities. The comparable figure at December 31, 1973, was \$503,115,000.

Interest on investments for the year was \$42,411,000, compared with \$32,302,000 for the previous year. The improvement in investment income is attributed to the increase in the size of the portfolio and to increases in interest rates, particularly in short term investments. Trades from older low-yield securities in the portfolio to newer issues with higher yields improved the future yield.

These trading activities involved a recorded loss of \$3,703,000 in the year 1974, so that, after reducing the interest earned by this amount, the net income on the investments was 7.1 per cent of the average value, compared with 6.7 per cent the previous year.

PUBLIC AFFAIRS

The Public Affairs Division publishes the "WCB Report", an external tabloid distributed to 20,000 readers six times a year, and a monthly staff newspaper, the "Compensator". The Division prepares a wide range of written material including brochures, informational leaflets, press releases and paid-media information. Major educational programs are carried out in cooperation with industrial and labour organizations, in which speakers from all Divisions of the Board participate.

Safety Associations

The nine Safety Associations in Ontario, established in accordance with the provisions of the Workmen's Compensation Act, have continued to function vigorously during the past year in the interests of safety education. As recommended by the Task Force, the Associations have formed themselves into a Council of Safety Associations which coordinates their safety education activities. Liaison between the Council and the Workmen's Compensation Board is maintained by the Executive Director of the Public Affairs Division, who serves as Chairman of the Council.

Total expenditure by the Board in 1974 for safety education was \$8,193,246.

Project FACTS II

The word "FACTS" is an acronym for "First Aid Community Training for Safety".

Project FACTS II trained 3,682 people in First Aid in the cities of Cambridge and Guelph in a program that began in 1973 and ended in December, 1974.

The training was carried out by St. John Ambulance; the Workmen's Compensation Board financed the project.

Total expenditure for Project FACTS II was \$93,524, of which \$46,317 was spent in 1974.

All businesses and industries in the Guelph-Cambridge area covered by the Board's Schedule 1 participated in Project FACTS II.

The First Aid courses given were Emergency (eight hours training); Standard (16 hours training); and Instructors (40 hours training, preceded by 16 hours of the Standard course). The following groups completed these courses under Project FACTS II:

<u>Cambridge:</u>	Instructors.....41
	Standard.....859
	Emergency.....1,013
 <u>Guelph:</u>	 Instructors.....37
	Standard.....771
	Emergency.....961

Project FACTS II is so designated to distinguish it from Projects FACTS I which saw 5,500 people trained in Emergency First Aid within three years, in a program completed in June, 1972, in Orillia.

Project FACTS I -- also financed by the Board -- drew international interest following a report by a university research team indicating accident rates can be reduced by 30 per cent or more in industries that train all their employees in First Aid.

The same research team (Drs. Neil Agnew and Gary Miller of York University, Toronto) are now analyzing the records of Project FACTS II.

FACTS I trained the general population in Orillia (approximately 23 per cent of the city's population received Emergency First Aid training); FACTS II limited training to industrial settings.

Because it is increasingly apparent that First Aid training plays a key role in accident prevention, as well as in care of the injured, the Board considers these projects to be of prime importance.

Over the years the Board has, in addition to Projects FACTS I and II, financed First Aid training for the employees of employers covered by Schedule 1, to satisfy the requirements of the Board's First Aid Regulations.

In 1974, the Board paid \$265,197 for this category of First Aid training.

Dated at Toronto this 22nd day of May, 1975.

WORKMEN'S COMPENSATION BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1974

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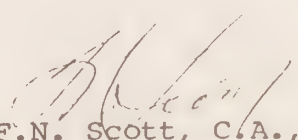
To the Workmen's Compensation Board and
to the Minister of Labour

I have examined the balance sheet - Schedule 1 Accident Fund and Schedule 2 of the Workmen's Compensation Board as at December 31, 1974, the Schedule 1 Accident Fund statements of income and expense, contingency reserve, Second Injury, Disaster and Stabilization Reserves, Silicosis and Asbestosis Fund and the Schedule 2 statement of assets and changes in net deposits for the year then ended. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

I have relied upon the certificate of the Board's Consulting Actuaries in respect to the estimated liability for outstanding claims, the assessment rates, the discounted present value of future recoveries re legislated pension increases, the pensions liability and the reserves.

In my opinion these financial statements present fairly the financial position of the Board as at December 31, 1974, and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied, after giving retroactive effect to the changes referred to in Notes 2, 3, 4 and 5, with which I concur, on a basis consistent with that of the preceding year.

Toronto, Ontario,
April 9, 1975.


F.N. Scott, C.A.,
Provincial Auditor.

DEVITT-McCLURE LTD.

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For Personal Contact:

WORKMEN'S COMPENSATION BOARDACTUARIES' CERTIFICATION

concerning

THE FINANCING OF THE BOARD'S OPERATIONS

with respect to

THE SCHEDULE I ACCIDENT FUND

- as at 31st December, 1974 -

This is to certify that, in our opinion, based upon periodic reviews and investigations, the operations of the Workmen's Compensation Board, Ontario, with respect to its responsibilities under the Workmen's Compensation Act, Ontario, pertaining to Schedule I employers, were being soundly and satisfactorily financed, as at 31st December 1974.

Such periodic reviews and investigations, based on data which are considered to be sufficient and reliable, have reference to:

- (i) The calculation, and segregation from the gross Schedule I Accident Fund, of the "Estimated Liability for Outstanding Claims" as at 31st December 1974 - determined in relation to the Board's experience and practices and policies, applied on a basis consistent with the preceding year;
- (ii) The development and adoption of sound and appropriate assessment rates chargeable to Schedule I employers during the calendar year 1975 in accordance with established practices and policies, for:
 - (a) the financing of expected accident costs during such year, based on the Board's recent experience, and
 - (b) adjustment of the Contingency Reserve of the Schedule I Accident Fund towards its indicated Optimum Level;
- (iii) Recognition of the computed liability with respect to the outstanding balance as at such date, of the capitalized cost of "Legislated Pension Increases", which were introduced 1 July 1971 and 1 July 1973 and 1 July 1974 respectively; each such cost being amortized by supplementary employer assessments over a ten-year period from the applicable effective date;

DEVITT-McCLURE LTD.Workmen's Compensation Board
Actuaries' Certification (continued)

- (iv) The analysis of the 1974 experience of the Schedule I Pension Fund, to confirm its estimated favourable financial position as at 31st December 1974, for the provision of future pension benefits under capitalized pension awards made by the Board in 1974 and prior years;
- (v) Consideration as to the Second Injury Reserve and the Disaster and Stabilization Reserve, each being appropriate and reasonable in the light of the Board's experience to date.

* * *

DEVITT-McCLURE LTD.Per: L. A. Taylor
Fellow, Canadian Institute of ActuariesPer: Henry G. Devitt
Fellow, Canadian Institute of Actuaries

WORKMEN'S COMPENSATION BOARDBALANCE SHEET - SCHEDULE 1 ACCIDENT FUND AND SCHEDULE 2

AS AT DECEMBER 31, 1974
 (with comparative figures for 1973)

A S S E T S

	<u>\$000's</u>	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
		(Note 2)
Cash	\$ 2,184	\$ 450
Short term deposits	78,501	58,336
Assets held for Schedule 2 employers	4,165	4,146
Investments - not in excess of amortized cost	505,493	448,517
Accrued investment income	11,331	9,568
Assessments and other receivables	36,973	26,809
Prepaid administration expenses	267	75
Land, buildings and equipment - at cost less accumulated depreciation	13,582	14,858
Discounted present value of future recoveries re legislated pension increases	93,181	64,389
	<u>\$745,677</u>	<u>\$627,148</u>

L I A B I L I T I E S

Accounts payable and accrued liabilities (Note 3)	\$ 8,358	\$ 4,224
Estimated liability for outstanding claims (Note 4)	200,261	172,400
Net deposits by Schedule 2 employers	4,165	4,146
Pensions (Note 4)	469,045	393,816
Silicosis and Asbestosis Fund	6,362	7,845
Reserves		
Second Injury	16,823	13,879
Disaster and Stabilization	8,717	8,082
Contingency	31,946	22,756
	<u>\$745,677</u>	<u>\$627,148</u>

See notes to financial statements.

Approved on behalf of the Board

Michael Stan
 Chairman

[Signature]
 Vice-Chairman of Administration

WORKMEN'S COMPENSATION BOARD
STATEMENT OF INCOME AND EXPENSE

SCHEDULE 1 ACCIDENT FUND

FOR THE YEAR ENDED DECEMBER 31, 1974
 (with comparative figures for 1973)

	<u>\$000's</u>	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
<u>Income</u>		
Assessments	\$260,961	\$204,679
Penalties	3,282	1,658
Amounts applied to fund legislated pension increases	(9,131)	(2,661)
Silicosis assessments, penalties and transfers to that fund	(1,217)	(1,611)
Net assessment income	<u>\$253,895</u>	<u>\$202,065</u>
Investment income	\$ 42,411	\$ 32,302
Amounts allocated to other funds and reserves	(23,909)	(22,580)
Net investment income	<u>\$ 18,502</u>	<u>\$ 9,722</u>
Income - net of transfers and applications	<u>\$272,397</u>	<u>\$211,787</u>
<u>Expense</u>		
Benefits		
Compensation	\$103,603	\$ 84,658
Medical aid	37,164	35,782
Rehabilitation	2,736	1,960
Pensions	54,278	48,039
Provision for outstanding claims	27,861	18,092
Recovered from third parties - net	(738)	(957)
Total benefits	<u>\$224,904</u>	<u>\$187,574</u>
Other expenses		
Accident prevention	\$ 8,193	\$ 7,018
Uncollectible assessments	1,434	1,356
Administration	15,816	11,051
Medical and investigating	3,176	2,256
Mine rescue	282	234
Total other expenses	<u>\$ 28,901</u>	<u>\$ 21,915</u>
Net funding of reserves		
Second Injury	\$ 1,772	\$ 2,831
Disaster and Stabilization	(6)	(536)
	<u>\$ 1,766</u>	<u>\$ 2,295</u>
<u>Total expense</u>	<u>\$255,571</u>	<u>\$211,784</u>
<u>Net excess of income over expense for year</u>	<u>\$ 16,826</u>	<u>\$ 3</u>

See notes to financial statements.

WORKMEN'S COMPENSATION BOARD
STATEMENT OF CONTINGENCY RESERVE

SCHEDULE 1 ACCIDENT FUND

FOR THE YEAR ENDED DECEMBER 31, 1974
(with comparative figures for 1973)

	<u>\$000's</u>	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
Capitalized value of legislated pension increases in year (Note 4)	(\$ 37,800)	\$ 50,908)
Less: Portion deferred for recovery from future assessments	<u>32,916</u>	<u>44,439</u>
	(\$ 4,884)	\$ 6,469)
Restructuring investment portfolio (Note 5)	(3,703)	(564)
Gain on sale of old Head Office	951	
Net excess of income over expense for year	16,826	3
Contingency reserve, beginning of year - as restated (Note 3)	<u>22,756</u>	<u>29,786</u>
Contingency reserve, end of year	<u>\$ 31,946</u>	<u>\$ 22,756</u>

See notes to financial statements.

WORKMEN'S COMPENSATION BOARD

STATEMENT OF SECOND INJURY, DISASTER AND STABILIZATION RESERVES

SCHEDULE 1 ACCIDENT FUND

FOR THE YEAR ENDED DECEMBER 31, 1974
 (with comparative figures for 1973)

	<u>\$000's</u>			
	<u>Second</u>	<u>Disaster and</u>	<u>1974</u>	<u>1973</u>
	<u>Injury</u>	<u>Stabilization</u>	<u>Total</u>	<u>Total</u>
Provided from assessments of Schedule 1 employers	*\$14,120	\$ **5,135	\$19,255	\$15,513
Interest allocated	<u>1,172</u>	<u>641</u>	<u>1,813</u>	<u>1,318</u>
	\$15,292	\$ 5,776	\$21,068	\$16,831
Transferred to Schedule 1 rate groups and/or employers	* <u>12,348</u>	<u>**5,141</u>	<u>17,489</u>	<u>13,218</u>
Net change in year	\$ 2,944	\$ 635	\$ 3,579	\$ 3,613
Balance beginning of year	<u>13,879</u>	<u>8,082</u>	<u>21,961</u>	<u>18,348</u>
Balance end of year	\$16,823	\$ 8,717	\$25,540	\$21,961
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Net funding of reserves	*\$14,120	\$ ** 5,135		
	* <u>12,348</u>	<u>** 5,141</u>		
	<u>\$ 1,772</u>	<u>(\$ 6)</u>		

See notes to financial statements.

WORKMEN'S COMPENSATION BOARD

STATEMENT OF SILICOSIS AND ASBESTOSIS FUND (MINES ONLY)

SCHEDULE 1 ACCIDENT FUND

FOR THE YEAR ENDED DECEMBER 31, 1974
(with comparative figures for 1973)

	<u>\$000's</u>	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
Assessments on employers in mining industry	\$ 1,167	\$ 1,361
Charge against Schedule 1 employers	50	250
	<u>\$ 1,217</u>	<u>\$ 1,611</u>
Less: Amounts applied to fund legislated pension increases - prior years	(447)	(148)
Interest allocated	<u>545</u>	<u>504</u>
	<u>\$ 1,315</u>	<u>\$ 1,967</u>
Capitalized value of legislated pension increases in year (Note 4)	\$ 838	\$ 2,352
Less: Portion deferred for recovery from future assessments	(730)	(2,053)
	\$ 108	\$ 299
Paid to claimants directly	234	151
Pensions awarded - current year	<u>2,045</u>	<u>792</u>
	\$ 2,387	\$ 1,242
Administrative and chest examining stations	<u>411</u>	<u>420</u>
	<u>\$ 2,798</u>	<u>\$ 1,662</u>
Net change in year	(\$ 1,483)	\$ 305
Fund balance, beginning of year	<u>7,845</u>	<u>7,540</u>
Fund balance, end of year	*\$ 6,362	\$ 7,845
*Breakdown of balance at December 31, 1974		
Silicosis balance	\$6,180	
Asbestosis balance	<u>182</u>	
	<u>\$6,362</u>	

See notes to financial statements.

WORKMEN'S COMPENSATION BOARDSTATEMENT OF ASSETS AND CHANGES IN NET DEPOSITS - SCHEDULE 2

AS AT DECEMBER 31, 1974
(with comparative figures for 1973)

A S S E T S

	<u>\$000's</u>	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
Cash	\$ 323	\$ 358
Investments - not in excess of amortized cost	3,456	3,738
Accrued interest	68	50
Deferred charges (Note 5)	318	
	<u>\$ 4,165</u>	<u>\$ 4,146</u>

CHANGES IN NET DEPOSITS

Reimbursements from employers	\$17,581	\$15,087
Income from investments	169	173
Restructuring investment portfolio (Note 5)	(\$551)	
Less: Amounts to be amortized in future years	<u>318</u>	
Amounts applied in current year	(233)	
	<u>\$17,517</u>	<u>\$15,260</u>

Deduct

Benefits to workmen		
Compensation	\$ 6,977	\$ 5,567
Medical Aid	3,744	3,810
Pensions paid	6,668	5,651
Rehabilitation	109	83
	<u>\$17,498</u>	<u>\$15,111</u>
Increase in deposits during the year	\$ 19	\$ 149
Net deposits, beginning of year	<u>4,146</u>	<u>3,997</u>
Net deposits, end of year	<u>\$ 4,165</u>	<u>\$ 4,146</u>

See notes to financial statements.

WORKMEN'S COMPENSATION BOARD

NOTES TO FINANCIAL STATEMENTS (\$000's)

FOR THE YEAR ENDED DECEMBER 31, 1974

1. The Board's accounting practices are as follows:

- (a) Investments purchased for a premium or discount are amortized on a yield basis.
- (b) Depreciation is recorded on a straight line basis at the following rates:

Buildings	2 1/2%
Equipment	20 %
Motor vehicles	33 1/3%
Leasehold improvements	10 %
- (c) In the year of legislated benefit improvements the deferred portion of the capitalized value of the pension increases are recorded as an asset. The resulting asset is reduced each year to the discounted present value of the remaining recoveries.
- (d) The estimated liability for outstanding claims is determined by actuarial valuation.
- (e) The pensions liability is determined by the transactions set out in Note 4. A complete actuarial valuation of the liability is completed every five years and any adjustment is allocated at the Board's discretion.
- (f) Investment income is allocated in the following manner: first, to the Funded Pension liability at the rate of discounting used in determining the actuarial pension award or the rate used at the last actuarial valuation; second, the residue is applied pro rata to each remaining fund and reserve and the balances for each assessment rate group.
- (g) Assessment income is determined on the basis of provisional payrolls reported by employers; at year end an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of actual payrolls being greater than provisional.

2. Several changes in financial statement format necessitated a restructuring of the 1973 figures so they would be comparable to the 1974 figures. The assets and fund balance of the Workmen's Compensation Board Superannuation Fund have been excluded from the balance sheet of the Board and are shown on a separate statement of assets. The Schedule 2 assets have been excluded from the individual balance sheet items and are shown separately as a single asset. Overdrafts of Schedule 2 employers have been netted against deposits. Certain items of Schedule 1 income and expense have been regrouped and reclassified. Other changes are described in Notes 3,4 and 5.

WORKMEN'S COMPENSATION BOARDNOTES TO FINANCIAL STATEMENTS (\$000's)FOR THE YEAR ENDED DECEMBER 31, 1974

3. During the year the Board recognized the desirability of making certain retroactive changes in financial statement presentation. This has resulted in a restatement of the net excess of income over expense for 1973 as follows:

(a) The present value of the Legislated Pension increases enacted in a year and charged to that year is now treated as an extraordinary item in the contingency reserve. Accordingly the 1973 increases have been removed from the Schedule 1 pension awards.	\$ 6,469
(b) The loss on sale of investments is now treated as an extraordinary item and removed from income from investments.	564
(c) Accrual to advance the timing of recording the liability for benefits to workmen (not previously recorded)	(3,000)
	<hr/> \$ 4,033
Net deficiency of income over expense as previously reported	(4,030)
	<hr/>
Net excess of income over expense as restated	\$ 3
	<hr/> <hr/>

Items (a) and (b) required adjustments within the financial statements. Item (c) required an increase in the accrued liabilities and a charge to the Contingency Reserve at December 31, 1973, thereby decreasing that reserve to \$22,756.

4. The liability for legislated pension increases to be funded is now reported with the pension liability whereas previously it was reported as part of the estimated liability for outstanding claims. This necessitated an increase in the pension liability for 1973 of \$64,389 and a reduction in the estimated outstanding claims by a similar amount.

The 1974 legislated pension increases amounted to \$37,801 for Schedule 1 and \$838 for the Silicosis Fund, a total of \$38,639.

Changes in the pension liability are as follows:

WORKMEN'S COMPENSATION BOARD

NOTES TO FINANCIAL STATEMENTS (\$000's)

FOR THE YEAR ENDED DECEMBER 31, 1974

4.

Cont'd

	<u>Funded Pension Liability</u>	<u>Pensions to be Funded **</u>	<u>Total</u>
Amounts funded in year re legislated increases	\$ 14,570	(\$ 14,570)	
Charge to adjust future recoveries of legislated increases to discounted present value		4,723	\$ 4,723
Interest allocated	21,550		21,550
* Awards in year - Legislated increases		38,639	38,639
- Accident Fund	54,278		54,278
- Silicosis Fund	2,045		2,045
	<u>\$ 92,443</u>	<u>\$ 28,792</u>	<u>\$ 121,235</u>
Paid to pensioners	46,006		46,006
Net increase in year	<u>\$ 46,437</u>	<u>\$ 28,792</u>	<u>\$ 75,229</u>
Balance, beginning of year	<u>329,427</u>	<u>64,389</u>	<u>393,816</u>
Balance, end of year	<u>\$ 375,864</u>	<u>\$ 93,181</u>	<u>\$ 469,045</u>

* Discounted present value of future pension payments calculated from actuarial tables at the time of award.

** This represents legislated pension increases that are being funded over a period of years through Schedule 1 and Silicosis assessments, as follows:

	<u>Schedule 1</u>	<u>Silicosis</u>	<u>Total</u>
Each year 1975 - 1980	\$ 14,015	\$ 555	\$ 14,570
1981	11,354	407	11,761
1982	4,885	108	4,993

5. During the year the Board determined it desirable to restructure its investment portfolio, in order to increase the effective yield on its investments, by selling certain investments and using the funds to purchase investments of similar quality with higher coupon rates, higher effective yields and earlier or similar maturities. A loss of \$3,703 in Schedule 1 (compared with \$564 in 1973) and a \$551 loss in Schedule 2 (nil in 1973) was recorded on the sale of the investments. The benefits on this restructuring will be spread over the life of the purchased investments in the form of higher investment income. The loss on Schedule 2 is to be amortized over the life of the purchased investments and results in the deferred charge of \$318 (nil in 1973).

WORKMEN'S COMPENSATION BOARDNOTES TO FINANCIAL STATEMENTS (\$000's)FOR THE YEAR ENDED DECEMBER 31, 1974

6. The most recent actuarial valuation of the Superannuation Fund was made as at January 1, 1974. Actuarial recommendations contained within that valuation in addition to supplementary information received during the year indicated that the fund required additional financing as follows:

\$475 annual transfer for five years from December 31, 1974
\$ 83 annual transfer for ten years from January 1, 1974

In accordance with these recommendations, the Board made a special contribution of \$558 to the Superannuation Fund (compared with \$300 in 1973).

7. During 1974 the Board occupied new Head Office premises which it had previously agreed to lease. Under the terms of the lease, the Board is required to pay an annual rental of approximately \$1,575 for the initial term of twenty years with an optional renewal of ten years, at fair market value. The complex, within which the new Head Office premises are situated, is constructed upon a parcel of land, part of which is owned by the Board. The annual rent of \$543 received by the Board for the lease of its part of the land has been applied against the cost of occupancy for 1974. Previously this rental income had been included in investment income.

WORKMEN'S COMPENSATION BOARDSCHEDULE 1 ACCIDENT FUNDADMINISTRATION EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1974
 (with comparative figures for 1973)

	<u>\$000's</u>	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
Salaries and employees' benefits	\$16,554	\$12,343
Travel and vehicle maintenance	599	459
Stationery and office supplies	706	441
Other supplies and expenses	65	31
Equipment rental and maintenance	545	404
Communications and publications	906	782
Occupancy costs (net of \$543 rental income each year)	780	(19)
Credit reports and legal expenses	116	72
Professional fees and services	269	84
Insurance and security services	120	85
Depreciation of equipment	175	72
Miscellaneous	393	113
	<u>\$21,228</u>	<u>\$14,867</u>
Less: Administration expenses charged to:		
Hospital and Rehabilitation Centre	\$ 92	\$ 112
Medical and investigation services	3,176	2,256
Accident prevention	65	65
Schedule 2	2,042	1,346
Silicosis and Asbestosis Fund	37	37
	<u>\$ 5,412</u>	<u>\$ 3,816</u>
Net charged to statement of income and expense Schedule 1 Accident Fund	<u>\$15,816</u>	<u>\$11,051</u>

WORKMEN'S COMPENSATION BOARDSCHEDULE 1 ACCIDENT FUNDHOSPITAL AND REHABILITATION CENTRE EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1974
 (with comparative figures for 1973)

	\$000's	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
Salaries and employees' benefits	\$ 4,334	\$ 3,615
Stationery and office supplies	35	23
Supplies	193	134
Occupancy costs	339	376
Equipment maintenance and rental	31	25
Travel expenses	21	8
Communications	70	44
Cafeteria	386	444
Depreciation of equipment and furniture	31	38
Insurance and security services	167	124
Miscellaneous	53	67
Administration expense charge	<u>92</u>	<u>112</u>
Total expenses*	\$ 5,752	\$ 5,010

*These expenses are part of the medical aid expense shown on the statement of income and expense.

WORKMEN'S COMPENSATION BOARDSCHEDULE 1 ACCIDENT FUNDACCIDENT PREVENTION EXPENSE BY CATEGORY

FOR THE YEAR ENDED DECEMBER 31, 1974
 (with comparative figures for 1973)

	\$000's	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
Salaries and employees' benefits	\$ 4,666	\$ 3,893
Stationery and supplies	181	174
Occupancy costs	367	251
Equipment maintenance and rental	37	35
Travel expenses	684	576
Communications	1,831	1,780
Depreciation of equipment and furniture	87	59
Insurance and security services	15	11
Miscellaneous	260	174
Administration expense charge	<u>65</u>	<u>65</u>
	<u>\$ 8,193</u>	<u>\$ 7,018</u>

WORKMEN'S COMPENSATION BOARDSCHEDULE 1 ACCIDENT FUNDACCIDENT PREVENTION EXPENSE BY SAFETY ASSOCIATION

FOR THE YEAR ENDED DECEMBER 31, 1974
 (with comparative figures for 1973)

	<u>\$000's</u>	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
Construction Safety Association of Ontario	\$ 2,660	\$ 1,582
Electrical Utilities Safety Association of Ontario	340	315
Forest Products Accident Prevention Association	378	288
Farm Safety Association, Inc.	233	121
Hospital Accident Prevention	184	113
Industrial Accident Prevention Association	2,685	2,010
Mines Accident Prevention Association of Ontario	352	298
The Ontario Pulp and Paper Makers Safety Association	133	123
Transportation Safety Association of Ontario	<u>513</u>	<u>459</u>
	\$ 7,478	\$ 5,309
Board's safety expense	<u>715</u>	<u>1,709</u>
	<u>\$ 8,193</u>	<u>\$ 7,018</u>

WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUND

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1974

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Statement of Assets	2
Statement of Transactions and Fund Balance	3
Note to Financial Statements	4



Office of
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2

To the Workmen's Compensation Board and
to the Minister of Labour

I have examined the statement of assets of the Workmen's Compensation Board Superannuation Fund as at December 31, 1974, and the statement of transactions and fund balance for the year then ended. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the fund as at December 31, 1974, and the changes in fund balance for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
April 9, 1975.


F.N. Scott, C.A.,
Provincial Auditor.

DEVITT-McCLURE LTD.

7 KING STREET EAST, 10th FLOOR, TORONTO, ONTARIO M5C 1A2 TEL. (416) 862-5901

CONSULTING ACTUARIAL SERVICES

For Personal Contact:

WORKMEN'S COMPENSATION BOARD

ACTUARIES' CERTIFICATION
concerning
THE FINANCING
of
THE SUPERANNUATION PLAN
- as at 31st December, 1974 -

It is hereby certified that, in our opinion, based upon annual actuarial reviews, the Superannuation Plan of the Workmen's Compensation Board, Ontario was being soundly and satisfactorily financed, as at 31st December 1974, subject to the Board continuing to make regular and special contributions to the Fund of the Plan, as required.

The most recent actuarial investigation of the Plan, as at 1st January 1974, indicated that, without anticipating other than moderate future inflation in members' salaries, the Plan was being adequately financed by the Board's existing programme of Special Contributions at the rate of \$300,000 per annum over a period ending not later than 1st January 1989.

The Board's actual Special Contribution of \$557,600 during 1974 was satisfactory. This included the required instalment of \$82,600 for funding, over the 10-year period 1974 - 1983 inclusive, of the pension supplements which were declared during 1974 to pensioners under the Plan.

The remaining amount, i.e. \$475,000.00, of 1974 Special Contribution is satisfactory since it exceeds the \$300,000 assumed in the abovementioned report.

DEVITT-McCLURE LTD.Per: *D. W. Taylor*

Fellow, Canadian Institute of Actuaries

Per: *Henry G. Devitt*

Fellow, Canadian Institute of Actuaries

2.

WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUND

STATEMENT OF ASSETS

AS AT DECEMBER 31, 1974
(with comparative figures for 1973)

A S S E T S

	\$000's	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
Cash	\$ 313	\$ 106
Short term investments		1,200
Investments - not in excess of amortized cost	40,831	35,430
Accrued interest and dividends	<u>526</u>	<u>457</u>
	<u>\$ 41,670</u>	<u>\$ 37,193</u>

See note to financial statements.

Approved on behalf of the Board


Chairman


Vice-Chairman of Administration

WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUND

STATEMENT OF TRANSACTIONS AND FUND BALANCE

YEAR ENDED DECEMBER 31, 1974
(with comparative figures for 1973)

	<u>\$000's</u>	
	<u>1 9 7 4</u>	<u>1 9 7 3</u>
Contributions received		
from the Board and Staff	\$ 2,746	\$ 2,088
from Safety Associations and Staff	666	519
	<u>\$ 3,412</u>	<u>\$ 2,607</u>
Income from investments (net of loss on sale of \$4; nil in 1973)	<u>2,149</u>	<u>1,785</u>
	<u>\$ 5,561</u>	<u>\$ 4,392</u>
<u>Deduct</u>		
Pensions Paid	\$ 851	\$ 641
Contributions refunded to staff	<u>233</u>	<u>146</u>
	<u>\$ 1,084</u>	<u>\$ 787</u>
Increase in the fund for the year	\$ 4,477	\$ 3,605
Fund balance, beginning of year	<u>37,193</u>	<u>33,588</u>
Fund balance, end of year (Note 1)	<u>\$41,670</u>	<u>\$37,193</u>

See note to financial statements

WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUND

NOTE TO FINANCIAL STATEMENTS (\$000's)

FOR THE YEAR ENDED DECEMBER 31, 1974

1. The most recent actuarial valuation of the Superannuation Fund was made as at January 1, 1974. Actuarial recommendations contained within that valuation together with supplementary information received during the year indicated that the fund required additional financing as follows:

\$475 annual transfer for five years from December 31, 1974
\$ 83 annual transfer for ten years from January 1, 1974

In accordance with these recommendations, the Board made a special contribution of \$558 to the Superannuation Fund (compared with \$300 in 1973).

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Government
Publications



ANNUAL REPORT 1975

WORKMEN'S COMPENSATION BOARD

ONTARIO

ANNUAL REPORT

1975

WORKMEN'S COMPENSATION BOARD

GENERAL REVIEW FOR 1975

Workmen's Compensation Board

Head Office: 2 Bloor Street East, Toronto, Ontario

To Her Honour the Lieutenant-Governor:

The Workmen's Compensation Board is pleased to submit its
annual report of operations for 1975.

SUMMARY OF OPERATIONS

000's

1 9 7 5

1 9 7 4

Payroll upon which assessment revenue
was based

\$21,400,000 (p)

\$18,900,000 (r)

Incidents reported as work injuries

395,528

443,234

SCHEDULE 1 OF THE ACT

Schedule 1 Benefits Paid & Awarded

\$000's

Medical Aid Paid

\$ 43,913

\$ 37,164

Compensation Paid

141,039

103,603

Rehabilitation Paid

2,796

2,736

Pensions Awarded

65,464

54,278

253,212

197,781

Silicosis Benefits

Medical Aid Paid

99

100

Compensation Paid

182

118

Rehabilitation Paid

1

16

Pensions Awarded

2,426

2,045

2,708

2,279

TOTAL

255,920

200,060

Legislated Increases

Pensions

94,300

37,801

Other future Costs

41,900

-

Silicosis - Pensions

2,500

838

138,700

38,639

TOTAL PAYMENTS AND AWARDS UNDER
SCHEDULE 1 OF THE ACT

394,620

238,699

SCHEDULE 2 OF THE WORKMEN'S COMPENSATION ACT
AND FEDERAL GOVERNMENT EMPLOYEES COMPENSATION ACT

Schedule 2 Benefits Paid

Medical Aid Paid

4,890

3,744

Compensation Paid

9,403

6,978

Rehabilitation Paid

128

109

Pensions Paid

8,034

6,668

22,455

17,499

Compensation Paid directly
by Schedule 2 employers

6,311

4,971

TOTAL BENEFITS PAID UNDER SCHEDULE 2

28,766

22,470

AWARDS AND PAYMENTS
(exclusive of legislated increase above)

\$ 284,686

\$ 222,530

LEGISLATED INCREASES

\$ 138,700

\$ 38,639

(p) Provisional

(r) Revised Final

INTRODUCTION

The year 1975 may be recorded as primarily a year of consolidation, following a period of reorganization that affected every facet of the Board's operations.

1975 also saw continuing implementation of recommendations contained in the 1973 Task Force Report; particularly, substantial changes were made during 1975 in the Appeals system, and in Claims Information and Counselling.

The 1974 changes, which were comprehensively described in last year's Annual Report, involved massive alterations in the Board's administrative structure and procedures. Inevitably, some subsequent adjustments have had to be made in the light of experience. However, the Board believes that in general the restructured organization will provide for improved services throughout the province, as staff are trained and assigned to carry out the expanded functions.

During 1975, the Ontario Legislature amended the Workmen's Compensation Act to provide important benefit increases.

Although work injuries reported in Ontario declined from 443,234 in 1974 to 395,528 in 1975, the Board's total workload increased substantially in 1975. A number of factors were responsible for the increase in workload, with the major ones being: (1) short-term activities required to put into effect the benefit increases legislated in 1975 -- largely accomplished by staff overtime; and (2) improvement and expansion of the Board's Claims and Rehabilitation services -- long-term commitments necessitating substantial additions to staff and large-scale training programs to qualify new staff for specialized functions.

Pension awards and other-benefit payments under the Act for both Schedule 1 and Schedule 2 employers totalled \$284.7 million in 1975, compared with \$222.5 million in 1974.

Legislated pension increases and other benefit costs to be paid in future years for Schedule 1 employers came to \$138.7 million in 1975, compared with \$38.6 million in 1974.

Approximately \$12 million of compensation (paid in 1975, and included in the 1975 figure of \$284.7 million) also arose from the legislated increases.

AMENDMENTS TO THE ACT

Bill 106, amending the Workmen's Compensation Act, received third reading in the Legislature July 2, 1975 and took effect from July 1, 1975. Among its provisions were the following:

- . The earnings ceiling, for purposes of calculating compensation, was raised from \$12,000 to \$15,000 per annum, increasing maximum weekly compensation (75% of gross earnings) from \$173.08 to \$216.35. This applies to accidents occurring before July 1, 1975, as well as after, but only relates to benefits payable after that date.

- . An amendment passed in 1974 with respect to permanent disability pensions was made applicable, effective July 1, 1975, to temporary disability payments for accidents that occurred prior to 1975. This clause provides an escalation of 4% for 1973, 4% for 1972, and 2% per year for previous years, the total increase not to exceed 60%.

- . Disability pensions awarded for accidents prior to 1975 were additionally increased, effective July 1, 1975, by 10%.

- . Temporary disability payments, based on pre-accident earnings in prior years, were also increased, effective July 1, 1975, by 10%.

- . Minimum compensation for permanent total disability was raised from \$260 to \$400 a month, with proportionate increases in minimums for permanent partial disability. These new minimums apply regardless of date of accident.

- . The minimum for temporary total disability was raised from \$55 per week, or earnings if less, to \$90 per week, or earnings if less. This change applies to accidents before, on, or after July 1, 1975, but only in respect of benefits for periods subsequent to that date.

- . Dependency pensions were increased effective July 1, 1975, by 10%, raising a widow's pension to \$286 per month, a dependent child's pension to \$77 per month, and an orphan's pension to \$88 per month, all regardless of date of accident.

- . The burial allowance was raised from \$500 to \$600, and the immediate lump sum payable to a widow was raised from \$500 to \$600.

Increased temporary disability payments for existing claims are new in concept, and designed to provide a more equitable benefit for those with longer-term temporary disabilities which prevent them from working.

For the first time the new ceiling (of \$15,000) applied to existing cases as well as new ones. Earlier ceiling amendments had applied only to new claims, on or after the date of amendment. However, under the 1975 amendment, all injured workers whose pre-accident earnings had exceeded a previous ceiling and who were still receiving compensation benefits on July 1, 1975, were entitled to have their compensation re-calculated under the new \$15,000 ceiling.

This applied to continuing temporary disability payments as well as to permanent disability pensions.

FINANCIAL

Practically all costs have been affected by inflation in recent years; compensation and medical costs are no exception. In the discussion of costs which follows, all the dollar figures relate to Schedule 1 industries only.

The problems, and thus the costs, of most compensable accidents are resolved relatively quickly. But the more serious, and therefore the most costly accidents, have prolonged financial after-effects. Less than one-third of the total cost of all accidents occurring in a year is paid within that year; the remaining two-thirds is paid over a number of subsequent years. The effects of continuing inflation bear most heavily, of course, on those costs that are paid out the longest time after an accident.

At present, the burden of inflation falls mainly into two categories: the funding of legislated pension increases over 10-year periods; and the meeting of costs that arise from prior years' accidents which are not fully provided for in Outstanding Claims -- Funded.

With respect to the funding of legislated pension increases:

An amendment to the Workmen's Compensation Act during 1975 provided for a 10% increase in all existing permanent disability pensions. The cost of the pension increases provided by this amendment, discounted at 7%, is just over \$96 million, and is to be amortized over a 10-year period commencing with 1975, along with the unamortized portions of costs created by amendments passed in 1971, 1973 and 1974.

The amortization charge to employers in 1975 for these legislated pension increases was approximately \$27 million, leaving a balance of just over \$166 million to be amortized in the future, including the portion of the \$96 million (just mentioned above) which was not amortized in 1975.

With respect to costs arising from prior years' accidents:

The amendment in 1975 increased the benefits for workers who were receiving temporary disability payments for accidents that occurred in 1974 and prior years; and this was an additional cost not provided for by Outstanding Claims -- Funded. Due to the protracted periods over which benefits are paid in serious cases before a pension award is made, the cost of this change is substantial -- about \$50 million, including \$12 million paid in 1975. This charge from the legislative amendment further aggravated the position relating to the funding of the costs of prior years' accidents. For example, of the \$141 million of temporary disability payments made in 1975, only \$65 million related to 1975 accidents and the remaining \$76 million was a liability from prior years. Of the pensions awarded in 1975 of \$68 million, less than \$7 million related to 1975 accidents and the remainder were for accidents from prior years. In total, out of a reserve of just over \$200 million, more than \$160 million was paid out in 1975 for accidents that occurred in prior years.

In addition to this claim on the funds provided for prior years' accidents, inflation has affected costs in other significant ways:

. Medical costs have increased sharply; out of the \$44 million paid under Schedule 1 in 1975, only \$18.5 million related to that year. The balance -- paid out for accidents that occurred in earlier years -- was materially increased beyond anticipated levels by inflation.

. Under a provision of the Workmen's Compensation Act, workers who are incapacitated by the recurrence of a disability caused by an earlier accident receive compensation based either on the level of pay at the time of the original accident (plus an escalation factor) or of the reopened claim, whichever is higher.

. The costs of dependents' benefits that arise when a worker dies due to the accident -- or, if 100% disabled, dies from any cause -- are (following the amendment) based on the currently legislated levels, not those in effect at the time of the accident. The greater the rate of inflation, the greater the disparity between these costs and the funds provided in the reserves.

In November, 1975, the Board reviewed its position on rating and reserves in the light of these considerations and concluded that a major increase in rates was required to cover its anticipated costs in 1976. It was calculated that, on average, the required increase was 35%. However, in view of the short notice available to industry, and the restrictions on businesses with fixed price contracts it was decided to increase assessments in yearly stages. As a result, the average increase was reduced to about 22% for 1976, recognizing that while this will leave a cost burden on the future, a balance has to be maintained between the effects on present and future employers.

Employers and Assessed Payroll

There was no great change in the number of employers reporting to the Board under Schedule 1, the total in 1974 and 1975 being around 145,000. In 1975, more than 17,500 new accounts were opened, and some 1,300 closed accounts were reopened.

This group was offset by an approximately similar number that ceased to be covered by the Act.

These figures are in line with the trend of recent years, which shows that the total of employers commencing and employers terminating coverage within a calendar year runs about 25% of all the businesses on the Board's assessment records.

The payroll covered in 1975 is estimated at \$21.4 billion, up from \$18.9 billion in 1974, with assessments for 1975 at \$328 million compared with \$260 million in 1974.

Investments

The Accident Fund investments, valued on the basis of amortized cost, amounted to \$657.1 million at the end of 1975. This includes longer-term portfolio bonds, debentures or mortgages of \$561.2 million and short-term securities to cover the Board's cash-flow needs until May, 1976, when the next year's revenue commences.

Income on these investments in the year was \$47.8 million compared with \$42.4 million in 1974. The average yield on the portfolio securities was 7.4% in 1975, compared with 7.1% in 1974. The increase is due to higher-than-average historical interest rates during the year, and a continuation of the policy of trading selected securities to improve yield in the future. These trading activities in 1975 involved a recorded loss of \$4.4 million, compared with \$3.7 million in 1974. Generally accepted accounting principles require that these losses be recognized in the year; but as a result of the trading they will be more than offset by improved yields in future years.

CLAIMS SERVICES

Claims reported in 1975 totalled 395,528.

During 1975, the three Branches established by the Claims Services Division in the 1974 reorganization have continued to recruit and train the staff required for their revised and expanded functions.

These Branches are: Claims Adjudication, Claims Information and Counselling, and Claims Review.

Claims Adjudication

In the last five months of the year, an exceptional workload was superimposed on the usual functions of the Adjudication Branch, because of the benefit changes enacted by the Legislature in July, 1975.

It was necessary to review some 18,000 active compensation cases to determine the effect of legislated increases in temporary disability benefits. More than 10,000 of these were adjusted because of entitlement to increased benefits under the amendments.

In addition, approximately 51,000 pensions required adjustment. Nearly 39,000 of these adjustments were carried out automatically by computer programming, but more than 12,000 pensions had to be adjusted manually.

Branch staff worked a substantial amount of overtime to ensure that adjustments would be processed within a reasonable period.

Because claims work is an invaluable grounding in the compensation field, all Divisions of the Board traditionally draw on experienced claims personnel to serve in senior capacities; this factor and the demands of reorganization and expansion have created, at the present time, a shortage of highly skilled claims staff.

Consequently, the training of Claims Adjudicators has assumed special importance. It takes approximately one year for an Adjudicator-in-training to cover the basic program (which includes three graduated periods of formal instruction, separated by intervals of practical application), plus two more years of on-the-job experience, under supervision, to qualify for this sensitive function. In 1975, 60 persons started training courses to become Claims Adjudicators.

Claims Information and Counselling

The Claims Information and Counselling Branch, while continuing to provide the important services defined by its name, considerably expanded and decentralized its facilities in 1975.

During the year, a new Information Centre and two new Area Offices commenced service to the public. With these additions, the Board now has two Information Centres in Metropolitan Toronto and eight Area Offices throughout the province.

The new Area Offices are in London, at 495 Richmond Street, which opened March 3, 1975; and in Hamilton, at 100 Main Street East, Room 4103, which opened October 3, 1975.

Enlargement of physical facilities and staff expansion were carried out at the Board's other Area Offices, in Sudbury, Ottawa, Windsor, Thunder Bay, Kitchener-Waterloo and North Bay.

On November 21, 1975, the Board's second Information Centre opened its doors at 1780 Weston Road in northwestern Metropolitan Toronto.

The Board's first Information Centre, located at 952 College Street in west-central Toronto, marked its second full year of operation as 1975 closed. At the College Street Centre, 5,895

enquiries were serviced during 1975, compared to 3,975 the previous year.

The Visiting Counsellor program introduced in 1974 -- under which claims counsellors from Area Offices regularly visit other cities in the district -- has proven its worth in those communities, and was expanded in 1975.

A decentralization program initiated early in 1975 saw 17 out of 31 claims information specialists permanently relocated from Toronto Head Office to the eight Area Offices. These specialists obtain additional information required for the adjudication of complex claims; their relocation throughout the province is expediting the collection of accurate details and contributing to faster adjudication.

Claims Review

The primary function of the Claims Review Branch is to review adverse decisions on compensation claims. The interested parties are not advised of an adverse decision until it has been confirmed by the Claims Review Branch. On the other hand, of course, where the Claims Review Branch decides that a claim will be allowed, no such notice is required.

In 1975, the Branch's first full year of operation, it received and dealt with 16,081 cases.

Improvement of Claims Services

Early in 1975, the Claims Telephone Enquiry Clerks in the Claims Information and Counselling Services Branch were increased from 25 to the full complement of 30 permanent and five part-time clerks.

During 1975, these Clerks handled a total of 469,221 telephone calls (incoming and outgoing), up more than 21% from the 385,972 handled in 1974.

Several procedural changes were introduced during the year to enhance the effectiveness of this indispensable service. Arrangements were made to increase use by Telephone Enquiry Clerks of CRT (cathode ray tube) visual displays, linked to the Board's IBM 370-145 computer, for fast retrieval of basic information. To facilitate delivery of more detailed information from hard-cover files, an easily-identified high-priority enquiry form was developed, with space to enter information -- a new procedure which has not only speeded information delivery but also reduced file flow. In the Payment Preparation area and the Pensions Adjudication Section of the Claims Adjudication Branch, where claims file flow is extensive, specific contacts have been designated for Telephone Enquiry Clerks; and supervisors throughout the Board have been alerted to provide fast service for this Telephone Enquiry group.

Another area of improvement has been file and document flow. File storage locations have been subdivided so each Adjudication team can have ready access to the files for which it is responsible. Incoming documents are examined by the appropriate Claims Adjudicator, and assessed a priority so filing personnel can obtain hard-cover files which will be required for prompt action. Certain clerical support functions have been moved from centralized locations to the high-volume Primary Adjudication Section. Other measures have been put into effect, and the Administrative Resources Division is co-ordinating additional studies to further reduce the need for movement of files and documents.

In the area of claims processing, a number of improvements were made in 1975. The Primary Adjudication Section, established the previous year to handle relatively straightforward claims, proved so successful it was decided to channel more incoming claims to this Section. Often the original piece of mail received by the Board, opening a file, is the Doctor's Report (Form 8); many of these can be identified as cases in which information-collection and adjudication will not be complex; beginning in October, 1975, all such cases were routed to the Primary Adjudication Section. This new and substantial load has been effectively incorporated by the Section, with the result that adjudication teams in the Extended Disability Section are able to devote more time to the complicated and serious claims. A variety of other procedures for claims processing were developed during the year to eliminate or reduce delays, speed the assembly of information necessary for decisions, and exercise greater quality control.

In addition, new methods were introduced during the year to improve the effect of Section 117 of the Workmen's Compensation Act. Section 117 requires employers to report to the Board promptly any industrial accident that necessitates medical aid or disables an employee from earning full wages; penalties are provided for unwarranted delays in reporting. This section now applies to employers in Schedule 2 as well as those in Schedule 1. Obtaining the Employer's Accident Report (Form 7) at the earliest possible date is a critically important factor in the fast and equitable adjudication of compensation claims. Proper reporting by employers will free Adjudicators from information-gathering which should not have been necessary, and allow them to concentrate on unavoidable complications that must be resolved in many cases.

REHABILITATION SERVICES

In the Rehabilitation Services Division, the range and volume of essential activities significantly expanded during 1975.

Procedures for medical assessment, treatment and rehabilitation were improved; increasing emphasis was placed on early rehabilitation; the medical staff was strengthened; industrial diseases and psychological disabilities received special attention; a ward for female patients was prepared at the Hospital and Rehabilitation Centre; and an intensive training program substantially increased the Division's staff of Vocational Rehabilitation Counsellors.

Two percentage figures may give some indication of the Division's heavier workload during the year: the number of patients discharged by the Hospital and Rehabilitation Centre increased by 12.8%, and the total of new referrals to the Vocational Rehabilitation Branch increased by 24.9%, over 1974.

New techniques and increasing sophistication in both treatment and rehabilitation require the expenditure of more staff time. However, shortened periods of active hospital treatment, less prolonged duration of disability, and a decrease in the number of permanent disability cases may reasonably be anticipated as a result over the longer term.

Medical Branch

To facilitate early rehabilitation, a full-time physician has been allocated to the Primary Adjudication System. With the 10 physicians who serve with the Extended Disability Sections, this brings to 11 the number of physicians attached to the Claims Services Division.

There are initial indications that this additional monitoring early in the adjudication system is contributing to accelerated recovery rates with earlier returns to work and, in some cases, preventing the development of permanent impairment.

For treatment control directed to this objective, the 10 physicians acting as Section Medical Advisors with the Claims Services Division examined 63,343 files in 1974; while in 1975, 11 physicians in this function examined 70,089 files. In addition, these physicians examined 1,387 patients to clarify the diagnosis or extent of disablement compared with 1,055 patients who were examined in 1974.

Medical activities related to the various forms of chest diseases -- including silicosis, asbestosis, lung cancers and pleural cancers -- were particularly intensive during 1975. The Board's Consultant in Chest Diseases in addition to other duties, examined 60 patients, 1,387 files and 5,389 X-rays during 1975. Because a new type of monthly operations report was instituted at the beginning of 1975, comparable previous-year figures are available only for files examined: 1,387 in 1975 versus 1,055 in 1974. However, as the rapidly growing demands on the Chest Consultant became clearly apparent, an assisting physician was appointed on a half-time basis.

The Medical Specialist for Industrial Hearing Loss received 1,519 new cases during the year, compared with 986 in 1974. This increase in new cases reflected -- as did the increase in 1974 -- the extension of eligibility under the January 1, 1974 amendment to those whose hearing loss did not cause earnings impairment. Since the inception of coverage under the Act in 1947 for industrial hearing loss, 5,143 claims have been reported and

1,947 awards made. Approximately fifty per cent of these claims and awards followed the 1974 amendment extending entitlement.

Activity related to all other industrial diseases declined slightly with 9,157 files being reviewed in 1975, compared with 9,384 in 1974. 199 patients were examined during the year, compared with 153 in 1974.

The Board's Surgical Consultants reviewed 9,527 files in 1975 compared with 7,701 the previous year, and examined 683 patients in 1975 compared with 439 the previous year. These figures indicate a very substantial increase of activity in the broad area of traumatic medicine.

The medical specialist whose responsibilities include heart-disease claims, evaluated 36 claims for various heart conditions compared with 43 the previous year.

Hospital and Rehabilitation Centre

During the year, 5,723 patients were discharged from this 524-bed hospital complex compared with 5,071 in 1974.

3,526 of these patients were ready on discharge to resume employment, compared with 3,217 in 1974.

It became apparent during 1975 that physicians throughout the Province are increasingly referring injured female workers to the Centre, and a decision was made late in the year to convert a 60-bed ward for female patients. The conversion was completed by February 9, 1976.

Special clinics at the Centre continued to contribute effectively: the General Trauma Clinic, the Amputee Clinic, the Neurology Clinic, the Back Rehabilitation Clinic, and the Hand Clinic;

the latter has now been in operation for two years, and its results are being appraised.

Also during 1975, a special and unusual "Evaluation Module" was established -- comprising a general physician, a registered nurse, an occupational therapist, a remedial gymnast, a psychiatrist, a psychologist, a vocational rehabilitation counsellor and a claims specialist. This concentration of expertise focussed on an individual patient's problems can significantly assist in preventing psychological disabilities, which often accompany physical injury, from developing into chronic and intransigent psychoneurosis. This is another area of treatment that should facilitate earlier return to the workplace and reduce the number of permanent disabilities.

Again, the Centre attracted many administrators and specialists from around the world, to study its operations. The United States, the United Kingdom, Poland, Australia, New Zealand, South Africa, Trinidad and Tobago, Barbados and Brazil were among the countries represented by the Centre's 926 visitors in 1975.

Medical Aid Services

Medical Aid Services and Medical Aid Consultants monitor and pay for all treatment services provided under the Act for injured employees throughout the Province. During the year 1,162,775 invoices were handled and \$47 million was paid out for all treatment services for both Schedule 1 and Schedule 2 industries.

Medical Aid Services also supply and repair back braces, artificial limbs and special orthopaedic boots, and supply medication. In 1975 a new position was created, Medical Aid Field Specialist.

This specialist travels throughout the Province to redesign handicap aids and solve problems for totally disabled workers and their families. Also, during the year, Dr. A. T. Jousse, a noted specialist in spinal-cord injuries, committed an increasing amount of time to his function as Board consultant for such cases.

Vocational Rehabilitation

The Vocational Rehabilitation Branch has the responsibility of assisting injured employees to re-establish themselves in employment. Primarily, this function is accomplished by the Branch's Vocational Counsellors, who must establish close and useful relationships with injured workers, and liaise effectively with a wide range of social and government agencies as well as with employer and union representatives.

Through a concerted effort in recruiting and training, the number of Vocational Counsellors in the Branch was increased from 57 in 1974 to 72 by year-end 1975, with a further group of counsellors now in training.

Despite this expansion of trained staff, the average caseload for Rehabilitation Counsellors remained at the undesirably high level of 109, exactly what it was the year before. This resulted from an unprecedentedly large volume of referrals to the Branch during 1975. Every effort will be made to reduce the average caseload to more efficient levels; but the success of such effort will be, to a large extent, contingent on the volume of demand for Branch services in 1976.

Activities of the Vocational Rehabilitation Branch in 1975 included:

- . 3,585 interviews at the Board's Head Office.
- . 11,703 interviews at the Board's Hospital and Rehabilitation Centre.
- . 1,550 requests for commutation of pensions handled.
- . 14,619 referrals for additional special services.
- . 1,458 workers were placed on training programs during the year and another 813 continued on programs already in process.
- . 915 completed their training programs; by year-end, 96.3% of these were working or receiving additional training prior to job placement or awaiting placement; while 3.7% were not seeking jobs, due largely to decreased physical ability.

New referrals to the Branch totalled 19,947 in 1975, compared with 15,968 in 1974; as already mentioned, this represents a 24.9% increase in one year.

Cases carried forward from 1974 totalled 3,859 compared to 3,282 the previous year; to the 3,859 figure is now added 634 cases in other programs (not previously included) for a new total of 4,493 cases carried forward from 1974.

Thus, the Branch's aggregate caseload in 1975 was 24,440.

Medical Research

In 1975, the Board financed new research into:

- . Occupational Hearing Loss, by Dr. Peter Alberti, Chief of Otolaryngology at Mount Sinai Hospital, Toronto, and Associate Professor of Surgery at University of Toronto (partial funding).

. Brachial Plexus Nerve Injuries, by Dr. W. R. Harris, Associate Professor of Orthopaedic Surgery, University of Toronto, and Dr. Cecil Rorabeck of Toronto General Hospital, conducted at the Board's Hospital and Rehabilitation Centre, and completed in 1975 (full funding).

. Sudek's Dystrophy (a painful limb disease), by Drs. Murray Wiley and Z. J. Poplawski, at Toronto Western Hospital and the Hospital and Rehabilitation Centre (full funding).

Continuing or annual activities sponsored by the Board in 1975 were:

. Phase two of research at the Knee Evaluation Clinic at Toronto General Hospital under the direction of Dr. Robert Jackson (full funding).

. Research into methods of assessing the post-operative disc and spinal cord by a special X-ray technique (Transfemoral, Lumbar Phlebography), at Wellesley Hospital, Toronto, under the direction of Dr. Ian Macnab with Dr. Graeme McIvor as research fellow (partial funding).

. A one-day Seminar on Hand Injuries (co-sponsored with University of Western Ontario).

. A three-day annual Fracture and Trauma Course, presenting in 1975 "Trauma to the Upper Limb" (co-sponsored with University of Toronto).

ADMINISTRATIVE RESOURCES DIVISION

The Administrative Resources Division provides basic support services for the Workmen's Compensation Board in such areas as systems development and data processing, records

management, office services, statistical services, and maintenance for the physical plant and grounds of the Hospital and Rehabilitation Centre.

Major Divisional activities in the past year have been the initiation of a Board-wide integrated systems development program and improvement of the physical facilities at the Centre.

At the Hospital and Rehabilitation Centre, needed additional parking spaces have been added, for use by outpatients; and much of the work necessary for conversion of a ward to accommodate female patients was carried out during 1975, with this project being completed early in February, 1976.

The systems development program is a major undertaking, aimed at instituting a more responsive and effective total information system for the Board. From planning stage through to design specification and implementation, this project is expected to take approximately four years to complete.

Major benefits of a flexible, on-line integrated system will include:

1. Improvement of the Board's claims processing and payment systems.
2. Upgrading of responsiveness to the information needs of both inside and outside users.

During 1975, the Administrative Resources Division played a major role in organizing special services that assured distribution of compensation and pension cheques during two postal strikes.

The first mail stoppage, in February and March, did not affect the entire province. Nonetheless, a carefully planned

courier system was immediately put into operation to dispatch cheques to the parts of the province affected.

The second postal strike started October 21 and ended December 3. Because there were clear indications that this strike would likely be prolonged, a complex courier-and-depot system was set up by the Administrative Resources Division on October 21. The depots were the Board's eight Area Offices and Toronto Head Office, 19 office facilities made available by the Northern Affairs Branch of the Ontario Ministry of Natural Resources, and 17 rented hotel rooms with direct-line telephones installed -- 45 locations in all throughout the Province. This network of emergency offices was linked by a regular courier service, with Board employees leaving Head Office each business day to drive routes that would, taken together, effect cheque deliveries to depots. In addition, an air-express exchange was arranged with other provincial Compensation Boards across the country for out-of-province deliveries; and international mail was taken regularly to a Buffalo, N. Y., post office. During the six-week strike, some 156,000 cheques were distributed by the Board using this system.

APPEALS

As the year 1975 closed, there were eight Commissioners active in appeals; an additional Commissioner was appointed January 1, 1976, bringing the number to nine. The eight Commissioners who were involved in appeals during the year under review included the Vice-Chairman of Appeals, the two Commissioners of Appeals and five Commissioners.

The Board's new appeals procedure, reorganized in general along the lines recommended by the 1973 Task Force Report, was implemented in January, 1975. Under the new procedure all appeals are decided by Commissioners of the Board who may render decisions singly or act on a panel of three Commissioners as an Appeal Board.

Included in the staff required for the appeals procedure are Appeals Administrators who prepare summaries of information and are responsible for other functions including the scheduling of inquiry hearings. Also included are Appeals Examiners who study each appeal, arrange for further investigation and conduct an inquiry hearing if desirable. The Appeals Examiner submits a report with a recommendation to a single Commissioner who studies the file and the report and renders a decision. At the end of 1975 there were six Appeals Administrators and nine Appeals Examiners.

While new staff was being recruited and trained and new procedures implemented, some delays occurred. As experience developed, measures were taken to improve procedures and the delays are being overcome. It is anticipated that continued refinement of procedures and administrative practices will expedite the adjudication of appeals.

One of the chief causes of delays in appeals being heard is postponements, usually at the request of the employee or his representative. There were 490 postponements of Appeals Examiner Inquiries and 371 postponements of Appeal Board Hearings during 1975.

In 1975, single Commissioners rendered 1,309 Commissioner of the Board decisions. There were 635 Appeal Board Hearings and in addition, Appeal Boards ruled on 315 other appeals without hearings.

PUBLIC AFFAIRS

The Public Affairs Division is responsible for production and distribution of Board publications and other public-information material of a general nature -- including corporate periodicals, brochures and advertising. Several public relations programs are carried out.

Safety

Nine Ontario Safety Associations, operating under the terms of the Workmen's Compensation Act, make available comprehensive safety-education programs; they are, with only minor exceptions, funded by the Workmen's Compensation Board. The Associations are: Construction Safety Association of Ontario, Toronto; Electrical Utilities Safety Association, Rexdale; Farm Safety Association Inc., Guelph; Forest Products Accident Prevention Association, North Bay; Hospital Accident Prevention Department of the Ontario Hospital Association, Don Mills; Industrial Accident Prevention Association, Toronto; Mines Accident Prevention Association, Toronto; Ontario Pulp and Paper Makers Safety Association, Toronto; and the Transportation Safety Association of Ontario, Toronto.

The Council of Safety Associations comprises these nine safety organizations and the Board, working co-operatively to promote education in accident prevention. The Council was established in March, 1974. During 1975, seven full Council meetings were held and a number of information sessions, in which an interchange of ideas on areas of common concern took place. The Executive Director of the Division serves as Chairman of the Council of Safety Associations.

First Aid

For several years the Board has encouraged employers to train their employees in First Aid, to comply with the First Aid regulations under the Workmen's Compensation Act. This encouragement has taken the form of underwriting the cost of St. John Ambulance training for up to two employees per shift per location. In 1975, 110 persons were trained in the Emergency First Aid course, and 14,175 in the Standard First Aid course.

Also, during 1975, the Board provided financial assistance for the training of 1,599 employees of businesses and industries in the Mississauga area as First Aid instructors. These instructors in turn, and at company expense, then provide mass training in Emergency First Aid for other employees in the same company. This program is named Project LIFE ("Learn Industrial First Aid Effectively").

Advertising

The courier system of cheque delivery during the 1975 mail strikes has been described earlier in this report. During both stoppages, advertising in 46 Ontario daily newspapers provided full details of local arrangements for making compensation and pension cheques available. In addition, public-service releases were provided to media throughout the Province.

Advertising was also employed to publicize new office openings and relocation of existing offices, during the year.

Public Relations

For the third consecutive year, the Board co-operated

with the Ontario Federation of Labour in providing speakers for OFL workshops organized to study compensation and safety in the Province. Board speakers participated in one-day sessions in North Bay, Thunder Bay, Windsor, Brockville and Toronto, in April and May, 1975.

For several years, the Board has promoted safety and awareness of Ontario's compensation system at the annual International Plowing Match and Farm Machinery Show. In 1975, an animated cartoon display, presented in co-operation with the Farm Safety Association, attracted more than 14,000 visitors to the Board's exhibit at this five-day event, held near Oshawa.

HUMAN RESOURCES DIVISION

The Board's Human Resources Division has staff responsibility for all personnel functions, and organization planning and development. Included in the personnel functions are benefits and salary administration, recruitment, and staff relations. Within organization planning and development are staff training and education, organization analysis, and staff planning and development.

Staff

At December 31, 1975, the total staff of the Board and the Safety Associations was 2,125, compared with 1,904 on the same date the previous year.

Staff distribution in 1975 was: Head Office 1,320, Hospital and Rehabilitation Centre 314, Safety Associations 310, and Area Offices 181.

296 staff members have bilingual or multilingual capacity, providing service in 35 languages.

In October, 1975 the Canadian Union of Public Employees was certified as the bargaining agent for some 1,100 Board employees. Bargaining for a collective agreement is proceeding with the participation of the Human Resources Division.

Staff Training

The Division organized seven major training programs in which 391 staff members participated. In addition, 128 staff members enrolled in 168 job-oriented business or degree courses, supported by the Board. Included in these were French and Italian language training courses.

Dated at Toronto this 27th day of April, 1976.

WORKMEN'S COMPENSATION BOARD AND
WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1975

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Workmen's Compensation Board Superannuation Fund

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WORKMEN'S COMPENSATION BOARDBALANCE SHEET - SCHEDULE 1 ACCIDENT FUND AND SCHEDULE 2DECEMBER 31, 1975ASSETS

	<u>\$000's</u>	
	<u>1 9 7 5</u>	<u>1 9 7 4</u>
	(Note 2)	
Cash	\$ 6,896	\$ 2,184
Short term investments	95,946	78,501
Assets held for Schedule 2 employers	3,406	4,165
Investments - not in excess of amortized cost	561,193	505,493
Accrued investment income	11,563	11,331
Assessments and other receivables	50,815	36,973
Prepaid administration expenses	213	267
Land, buildings and equipment - at cost less accumulated depreciation	<u>14,056</u>	<u>13,582</u>
	<u>\$744,088</u>	<u>\$652,496</u>

LIABILITIES AND RESERVES

Accounts payable and accrued liabilities	\$ 8,700	\$ 8,358
Net deposits by Schedule 2 employers	3,406	4,165
Reserves		
Outstanding claims (Note 3)	250,652	200,261
Pensions (Notes 2 and 4)	444,074	375,864
Silicosis and Asbestosis Fund	5,213	6,362
Second Injury	21,006	16,823
Rate Stabilization and Disaster	11,037	8,717
Contingency (Note 2)		<u>31,946</u>
	<u>\$744,088</u>	<u>\$652,496</u>

Commitments (to be financed in future years) (Notes 3 and 4)

See notes to financial statements.

Approved on behalf of the Board

Michael Han
Chairman

Amos
Vice Chairman of Administration

WORKMEN'S COMPENSATION BOARD

STATEMENT OF INCOME AND EXPENSE AND CONTINGENCY RESERVE

SCHEDULE 1 ACCIDENT FUND

YEAR ENDED DECEMBER 31, 1975

	\$000's	
	1 9 7 5	1 9 7 4
<u>Income</u>		(Note 2)
Assessments	\$327,608	\$259,744
Penalties	3,136	3,282
	\$330,744	\$263,026
Less allocated to:		
Uncollectible assessments	(2,000)	(1,434)
Prior years' legislated amendments	(14,015)	(9,131)
Second Injury	(22,478)	(14,120)
Rate Stabilization	(4,816)	(5,135)
	\$287,435	\$233,206
<u>Expense</u>		
Accident costs (Note 2)		
Current year's accidents - paid in current year	\$ 91,988	\$ 75,992
- to be paid in future years	168,300	128,900
	\$260,288	\$204,892
Prior years' accidents - paid in current year	\$161,224	\$121,789
Less: Reduction in reserves - Outstanding Claims	(94,000)	(82,900)
- Second Injury	(18,295)	(12,348)
Recovered from third parties	(936)	(738)
	\$ 47,993	\$ 25,803
Legislated improvements - pension benefits (Note 4)	\$ 94,300	\$ 37,800
- future disability benefits (Note 3)	41,900	
	\$136,200	\$ 37,800
Total accident costs	\$444,481	\$268,495
Other costs		
Accident prevention	\$ 9,977	\$ 8,193
Administration	22,647	15,816
Medical and rehabilitation services	4,430	3,176
Mine rescue	405	282
Restructuring investment portfolio (Note 5)	4,407	3,703
Gain on sale of old head office		(951)
Total other costs	\$ 41,866	\$ 30,219
Total expenses	\$486,347	\$298,714
Net excess of (expense over income) for the year	(\$198,912)	(\$ 65,508)
Deferred for recovery from future assessments		
Legislated pension increases (Note 4)	82,115	32,916
Outstanding claims (Note 3)	116,797	41,782
Contingency reserve, beginning of year	31,946	22,756
Transfer to Outstanding Claims Reserve (Note 2)	(31,946)	
Contingency reserve, end of year	Nil	\$ 31,946
See notes to financial statements.		

WORKMEN'S COMPENSATION BOARDSTATEMENT OF SECOND INJURY, DISASTER AND STABILIZATION RESERVESSCHEDULE 1 ACCIDENT FUNDYEAR ENDED DECEMBER 31, 1975

	\$000's			
	<u>Second</u>	<u>Disaster and</u>	<u>1 9 7 5</u>	<u>1 9 7 4</u>
	<u>Injury</u>	<u>Stabilization</u>	<u>Total</u>	<u>Total</u>
Provided from assessments of Schedule 1 employers	\$22,478	\$ 4,816	\$27,294	\$19,255
Interest allocated				1,813
	\$22,478	\$ 4,816	\$27,294	\$21,068
Transferred to Schedule 1 rate groups and/or employers	18,295	2,496	20,791	17,489
Net change in year	\$ 4,183	\$ 2,320	\$ 6,503	\$ 3,579
Balance, beginning of year	16,823	8,717	25,540	21,961
Balance, end of year	\$21,006	\$ 11,037	\$32,043	\$25,540

See notes to financial statements.

WORKMEN'S COMPENSATION BOARDSTATEMENT OF SILICOSIS AND ASBESTOSIS FUND (MINES ONLY)SCHEDULE 1 ACCIDENT FUNDYEAR ENDED DECEMBER 31, 1975

	<u>\$000's</u>	
	<u>1 9 7 5</u>	<u>1 9 7 4</u>
Assessments on employers in mining industry*	\$ 2,571	\$ 1,167
Charge against Schedule 1 employers		50
	\$ 2,571	\$ 1,217
Less: Amounts applied to fund legislated pension increases - prior years	(555)	(447)
Interest allocated	481	545
	\$ 2,497	\$ 1,315
Capitalized value of legislated pension increases in current year	\$ 2,500	\$ 838
Less: Portion deferred for recovery from future assessments	(2,177)	(730)
	\$ 323	\$ 108
Paid to claimants directly	282	234
Pensions awarded - current	2,426	2,045
	\$ 3,031	\$ 2,387
Administrative and chest examining stations	615	411
	\$ 3,646	\$ 2,798
Net change in year	(\$ 1,149)	(\$ 1,483)
Fund balance, beginning of year	6,362	7,845
Fund balance, end of year	\$ 5,213	\$ 6,362
<u>Breakdown of balance at December 31, 1975</u>		
Silicosis balance	\$ 5,017	
Asbestosis balance	196	
	\$ 5,213	

*Assessments are net of a provision for uncollectible assessments
of \$20 in 1975; Nil in 1974.

See notes to financial statements.

WORKMEN'S COMPENSATION BOARDSTATEMENT OF ASSETS AND CHANGES IN NET DEPOSITS - SCHEDULE 2DECEMBER 31, 1975A S S E T S

	<u>\$000's</u>	
	<u>1 9 7 5</u>	<u>1 9 7 4</u>
Cash	(\$ 391)	\$ 323
Investments - not in excess of amortized cost	3,460	3,456
Accrued interest	67	68
Deferred charges	<u>270</u>	<u>318</u>
	<u>\$ 3,406</u>	<u>\$ 4,165</u>

CHANGES IN NET DEPOSITS

Reimbursements from employers	\$ 21,493	\$ 17,581
Income from investments	251	169
Amortization of prior year's investment loss	(48)	(233)
	<u>\$ 21,696</u>	<u>\$ 17,517</u>
<u>Deduct</u>		
Benefits to workmen		
Compensation	\$ 9,403	\$ 6,977
Medical Aid	4,890	3,744
Pensions paid	8,034	6,668
Rehabilitation	<u>128</u>	<u>109</u>
	<u>\$ 22,455</u>	<u>\$ 17,498</u>
(Decrease) increase in deposits during the year	(\$ 759)	\$ 19
Net deposits, beginning of year	<u>4,165</u>	<u>4,146</u>
Net deposits, end of year	<u>\$ 3,406</u>	<u>\$ 4,165</u>

See notes to financial statements.

WORKMEN'S COMPENSATION BOARDSCHEDULE 1 ACCIDENT FUNDADMINISTRATION EXPENSESYEAR ENDED DECEMBER 31, 1975

	<u>\$000's</u>	
	<u>1 9 7 5</u>	<u>1 9 7 4</u>
Salaries and employees' benefits	\$ 22,479	\$ 16,554
Travel and vehicle maintenance	812	599
Stationery and office supplies	803	706
Other supplies and expenses	94	65
Equipment rental and maintenance	1,433	545
Communications and publications	1,315	906
Occupancy costs (net of \$543 rental income each year)	1,408	780
Credit reports and legal expenses	147	116
Professional fees and services	387	269
Insurance and security services	136	120
Depreciation of equipment	326	175
Miscellaneous	918	393
	<u>\$ 30,258</u>	<u>\$ 21,228</u>
Less: Administration expenses charged to:		
Construction Safety Assessment	\$ 69	
Hospital and Rehabilitation Centre	100	\$ 92
Medical and Rehabilitation Services	4,478	3,176
Accident prevention		65
Schedule 2	2,721	2,042
Silicosis and Asbestosis Fund	243	37
	<u>\$ 7,611</u>	<u>\$ 5,412</u>
Net charged to statement of income and expense		
Schedule 1 Accident Fund	\$ 22,647	\$ 15,816

WORKMEN'S COMPENSATION BOARDSCHEDULE 1 ACCIDENT FUNDHOSPITAL AND REHABILITATION CENTRE EXPENSESYEAR ENDED DECEMBER 31, 1975

	\$000's	
	1 9 7 5	1 9 7 4
Salaries and employees' benefits	\$ 4,828	\$ 4,334
Stationery and office supplies	50	35
Supplies	297	193
Occupancy costs	432	339
Equipment maintenance and rental	32	31
Travel expenses	17	21
Communications	32	70
Cafeteria	550	386
Depreciation of equipment and furniture	27	31
Insurance and security services	221	167
Miscellaneous	(61)	53
Administration expense charge	100	92
	<hr/>	<hr/>
Total expenses*	\$ 6,525	\$ 5,752
	<hr/>	<hr/>

*These expenses are part of the accident costs shown on the statement of income and expense.

WORKMEN'S COMPENSATION BOARDSCHEDULE 1 ACCIDENT FUNDACCIDENT PREVENTION EXPENSE BY CATEGORYYEAR ENDED DECEMBER 31, 1975

	\$000's	
	<u>1 9 7 5</u>	<u>1 9 7 4</u>
Salaries and employees' benefits	\$ 5,754	\$ 4,666
Stationery and supplies	139	181
Occupancy costs	396	367
Equipment maintenance and rental	38	37
Travel expenses	875	684
Communications, advertising and information	2,226	1,831
Depreciation of equipment and furniture	104	87
Insurance and security services	14	15
Miscellaneous	431	260
Administration expense charge		65
	<u>\$ 9,977</u>	<u>\$ 8,193</u>

WORKMEN'S COMPENSATION BOARDSCHEDULE 1 ACCIDENT FUNDACCIDENT PREVENTION EXPENSE BY SAFETY ASSOCIATIONYEAR ENDED DECEMBER 31, 1975

	<u>\$000's</u>	
	<u>1 9 7 5</u>	<u>1 9 7 4</u>
Construction Safety Association of Ontario	\$ 3,984	\$ 2,660
Electrical Utilities Safety Association of Ontario	445	340
Forest Products Accident Prevention Association	579	378
Farm Safety Association, Inc.	282	233
Hospital Accident Prevention	190	184
Industrial Accident Prevention Association	3,210	2,685
Mines Accident Prevention Association of Ontario	521	352
The Ontario Pulp and Paper Makers Safety Association	163	133
Transportation Safety Association of Ontario	<u>603</u>	<u>513</u>
	\$ 9,977	\$ 7,478
Board's safety expense		<u>715</u>
	<u>\$ 9,977</u>	<u>\$ 8,193</u>

WORKMEN'S COMPENSATION BOARDPENSION TRANSACTIONSYEAR ENDED DECEMBER 31, 1975

	\$000's			
	1 9 7 5		1 9 7 4	
	<u>Total</u>	<u>Deferred**</u>	<u>Reserve</u>	<u>Reserve</u>
<u>Awards in year</u>				
<u>Regular</u>				
Accident Fund	\$ 65,464		\$ 65,464	\$ 54,278
Silicosis	2,426		2,426	2,045
<u>*Legislated amendments</u>				
Accident Fund	94,300	\$ 82,115	12,185	4,992
Silicosis	2,500	2,177	323	
Total awards	\$164,690	\$ 84,292	\$ 80,398	\$ 61,315
Interest on actuarial basis	34,523	8,209	26,314	21,550
Additional interest earned	(4,609)	4,609	
Paid to pensioners	(57,681)		(57,681)	(46,006)
	\$141,532	\$ 87,892	\$ 53,640	\$ 36,859
Legislative amendments				
funded from assessments		(14,570)	14,570	9,578
	\$141,532	\$ 73,322	\$ 68,210	\$ 46,437
Balance, beginning of year	469,045	93,181	375,864	329,427
Balance, end of year	<u>\$610,577</u>	<u>\$ 166,503</u>	<u>\$444,074</u>	<u>\$375,864</u>

* Discounted present value of future pension payments calculated from actuarial tables at the time of award.

** This represents legislated pension increases that are being recovered over a period of years through Schedule 1 and Silicosis assessments, as follows:

	<u>Schedule 1</u>	<u>Silicosis</u>	<u>Total</u>
Each year 1976 - 1980	\$ 26,200	\$ 878	\$ 27,078
1981	23,539	730	24,269
1982	23,539	730	24,269
1983	17,070	431	17,501
1984	12,185	323	12,508

WORKMEN'S COMPENSATION BOARDNOTES TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 19751. Accounting Practices

- (a) Investments purchased for a premium or discount are amortized on a yield basis.
- (b) Depreciation is recorded on a straight line basis at the following rates:

Buildings	2½%
Equipment	20%
Motor vehicles	33 1/3%
Leasehold improvements	10%
- (c) In the year of legislated pension benefit improvements, the capitalized value of pension increases, discounted at the current rate (7% in 1975), is recorded as a charge in the year and an appropriate proportion deferred for recovery from future assessments over a ten year period (Note 4).
- (d) The reserve required to provide for outstanding claims is determined by the Board annually (Note 3).
- (e) A complete actuarial valuation of the liability for pensions is completed every five years and any adjustment is allocated at the Board's discretion. The transactions for this year are set out on Page 10.
- (f) Investment income is allocated in the following manner: first the actuarial requirements of the Pension Fund, corresponding to the various discount rates used; second the Silicosis and Asbestosis Fund at the average rate for the investment portfolio; and third, a further sum is added to the Pension Fund to bring the amount allocated to that fund up to the average rate for the investment portfolio. Outstanding claims receive all interest on the short term investments and the unallocated interest earned by the investment portfolio.
- (g) Assessment income is determined on the basis of provisional payrolls reported by employers; at year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of actual payrolls being greater than provisional.

2. Changes in Accounting Practices

The following changes in accounting practices have necessitated a restatement of the 1974 figures for comparison with the 1975 figures.

- (a) The discounted present value of future recoveries re legislated pension increases is not included in the balance sheet as an asset. For 1975, this amount has been netted with the liability for pensions (see Note 4).
- (b) The estimated liability for outstanding claims has been re-designated as the Outstanding Claims Reserve. The Board has transferred the balance of its contingency reserve at January 1, 1975 in the amount of \$31,946,000 to the Outstanding Claims Reserve.

WORKMEN'S COMPENSATION BOARDNOTES TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 19752. Changes in Accounting Practices (Cont'd)

- (c) Assessment income does not include that portion designated for the Silicosis and Asbestosis Fund.
- (d) Investment income remaining after allocation to the Pension Fund and the Silicosis Fund has been allocated directly to the Outstanding Claims Reserve. No amount has been allocated to the Second Injury and the Rate Stabilization and Disaster Reserve as had been the practice in previous years.
- (e) Accident costs are summarized as to; those accidents occurring in the current year and accidents occurring in all prior years. Previously, such costs were summarized by their nature without an indication as to when the accidents occurred. Co-incidental with the change referred to in (b) above, the Board expenses in the year in which the accident occurs the present and future costs relating to the year's accidents. Insofar as insufficient income is available in the current year to meet these expenses, the balance is deferred for recovery from future assessments. Costs incurred in the current year, related to accidents which occurred in prior year, are offset by a transfer from the Outstanding Claims Reserve of the appropriate amount which had been provided in the years in which the accidents occurred.

The foregoing changes have resulted in a restatement of the net excess of income over expense for 1974 as follows:

(i) Items previously described as extraordinary	
Capitalized value of 1974 legislated pension increases	\$37,800
Restructuring investment portfolio	3,703
Gain on sale of Old Head Office	(951) \$40,552
(ii) Outstanding claims deferred for recovery from future assessments	41,782
	<u>\$82,334</u>
Net excess of income over expense as previously reported	<u>16,826</u>
Net excess of expense over income, as restated	<u><u>\$65,508</u></u>

3. Outstanding Claims Reserve

The Board has established a reserve of \$250,652,000 in respect of future costs of existing claims. In addition to this, \$116,797,000 of accident costs recognized in 1975 were deferred for recovery from future assessments. This further amount consists of \$41,900,000 of 1975 legislated disability benefit increases and \$74,897,000 of other claim costs.

4. Pensions

The discounted present value of further pension payments awarded to claimants is expensed by the Board in the year in which the accident occurs. The funds are invested so that these capitalized values together with the investment income allocated by the Board are available to pay the pensions to the claimants.

WORKMEN'S COMPENSATION BOARDNOTES TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 19754. Pensions (Cont'd)

From time to time, the Provincial Legislature, by amendment to The Workmen's Compensation Act, provides for increased benefits to be paid to claimants. In the year in which pension benefits are increased the Board determines the discounted present values of the increased pension payments and includes such amount in its expenses. Due to the magnitude of these increases, the Board defers a portion of the expense, to be financed by assessment income of future years.

The discounted present value of increased pension benefits legislated in 1975 amounted to \$94,300,000 for Schedule 1 employers and \$2,500,000 for the Silicosis and Asbestosis Fund. The deferrals for these increases (\$82,115,000 and \$2,177,000 respectively) together with deferrals applicable to legislated changes of previous years, amounted to \$166,503,000 at year end. (See Page 10).

5. Investments

During the year the Board determined it desirable to continue to restructure its investment portfolio, in order to increase the effective yield on its investments, by selling certain investments and using the funds to purchase investments of similar quality with higher effective yields, and earlier or similar maturities. A loss of \$4,407,000 in Schedule 1 (compared with \$3,703,000 in 1974) and a nil loss in Schedule 2 (\$551,000 in 1974) was recorded on the sale of the investments. The benefits on this restructuring will be spread over the life of the purchased investments in the form of higher investment income.

6. Anti-Inflation Guidelines

Pursuant to the terms of an agreement dated January 13, 1976 between the Province of Ontario and the Government of Canada, the Board is subject to Part IV of the guidelines issued under the Federal Anti-Inflation Act. Accordingly salaries and wages paid by the Board are subject to restraint under the Federal program.

7. Superannuation Fund

The most recent actuarial valuation of the Superannuation Fund was made as at January 1, 1974. Actuarial recommendations contained within that valuation, in addition to supplementary information received during the intervening period indicated that the fund required, in addition to current service contributions, a past service contribution, for the year 1975, of \$1,500,000, in order to recognize all plan amendments and experience deficiencies occurring to the end of 1974. In accordance with these recommendations, the Board made a special contribution of \$1,500,000 to the Superannuation Fund (compared with \$558,000 in 1974).



Office of
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Auditor

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Toronto Ontario
M7A 1A2

To the Workmen's Compensation Board and
to the Minister of Labour.

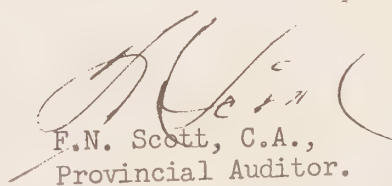
Under my direction, the balance sheet - Schedule 1 Accident Fund and Schedule 2 of Workmen's Compensation Board as at December 31, 1975, the Schedule 1 Accident Fund statements of income and expense, contingency reserve, Second Injury, Disaster and Stabilization Reserves, Silicosis and Asbestosis Fund and the Schedule 2 statement of assets and changes in net deposits for the year then ended have been examined. The examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as were considered necessary in the circumstances.

The Board has established assessment policies which it deems to be sufficient to finance existing reserves and commitments which have been determined by the Board, in accordance with its responsibilities under The Workmen's Compensation Act, as amended.

In my opinion, subject to realization of assessments sufficient to finance existing reserves and commitments, these financial statements present fairly the financial position of the Board as at December 31, 1975 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied, after giving retroactive effect to the changes referred to in Note 2, on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario,
April 9, 1976.


F.N. Scott, C.A.,
Provincial Auditor.

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WORKMEN'S COMPENSATION BOARD

ACTUARIES' CERTIFICATION

concerning

THE FINANCING OF THE BOARD'S OPERATIONS

with respect to

THE SCHEDULE I ACCIDENT FUND

- as at 31st December, 1975-

It is hereby certified that, in our opinion, the operations of the Workmen's Compensation Board, Ontario, with respect to its responsibilities under the Workmen's Compensation Act, Ontario, Schedule I, were being satisfactorily financed as at 31st December, 1975.

This certification has taken into account:

- (i) The liability for the Schedule I Pension Fund, in respect of all existing awards at the current level of benefit, calculated on bases which we consider to be appropriate;
- (ii) The Board's aggregate rate of 1976 assessment for Schedule I, excluding silicosis, was initially set at an average of \$2.03 per \$100 of payroll, and in our opinion such aggregate rate would meet the costs of accidents happening in 1976, the amortization of existing legislated amendments to benefits, and the costs of administering the Board and the Safety Associations in 1976;
- (iii) The assessment rates finally adopted by the Board on January 6th, 1976 were individually not greater than the corresponding individual rates initially set, and in the aggregate were less than the above aggregate rate. Taking into account the Board's title to contingent assets in accordance with a Board minute dated March 30th, 1976, we are of the opinion that the adopted rates are satisfactory;

- (iv) The contingent liability as at 31st December, 1975, in respect of Schedule I accidents happening prior to that date, and the Board's title to contingent assets.

JOHNSON & HIGGINS WILLIS FABER LTD.

Per:

L. N. Taylor

Fellow, Canadian Institute of Actuaries

Per:

Donald R. McElwaine

Fellow, Canadian Institute of Actuaries

9th April, 1976

WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUNDSTATEMENT OF ASSETSAS AT DECEMBER 31, 1975A S S E T S

	<u>\$000's</u>	
	<u>1 9 7 5</u>	<u>1 9 7 4</u>
Cash	\$ 313	\$ 313
Short term investments	3,000	
Investments - not in excess of amortized cost	44,217	40,831
Contributions receivable	487	
Accrued interest and dividends	<u>731</u>	<u>526</u>
	<u>\$48,748</u>	<u>\$41,670</u>

See note to financial statements.

Approved on behalf of the Board

Michael Atan

Chairman

Don J.

Vice-Chairman of Administration

WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUNDSTATEMENT OF TRANSACTIONS AND FUND BALANCEYEAR ENDED DECEMBER 31, 1975

	<u>\$000's</u>	
	<u>1 9 7 5</u>	<u>1 9 7 4</u>
Contributions received:		
from the Board and Staff (Note)	\$ 4,947	\$ 2,746
from Safety Associations and Staff	<u>697</u>	<u>666</u>
	\$ 5,644	\$ 3,412
Income from investments	<u>2,623</u>	<u>2,149</u>
	\$ 8,267	\$ 5,561
<u>Deduct</u>		
Pensions paid	\$ 1,051	\$ 851
Contributions refunded to staff	<u>138</u>	<u>233</u>
	\$ 1,189	\$ 1,084
Increase in the fund for the year	\$ 7,078	\$ 4,477
Fund balance, beginning of year	<u>41,670</u>	<u>37,193</u>
Fund balance, end of year	<u>\$48,748</u>	<u>\$41,670</u>

See note to financial statements.

WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUNDNOTE TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 1975

The most recent actuarial valuation of the Superannuation Fund was made as at January 1, 1974. Actuarial recommendations contained within that valuation, in addition to supplementary information received during the intervening period indicated that the fund required, in addition to current service contributions, a past service contribution, for the year 1975, of \$1,500,000, in order to recognize all plan amendments and experience deficiencies occurring to the end of 1974. In accordance with these recommendations, the Board made a special contribution of \$1,500,000 to the Superannuation Fund (compared with \$558,000 in 1974).



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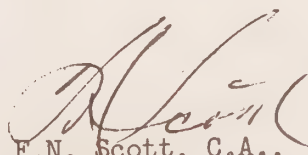
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Queen's Park
Toronto Ontario
M7A 1A2

To the Workmen's Compensation Board and
to the Minister of Labour.

Under my direction, the statement of assets of the Workmen's Compensation Board Superannuation Fund as at December 31, 1975, and the statement of transactions and fund balance for the year then ended have been examined. The examination included a general review of the accounting records and other supporting evidence as were considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the fund as at December 31, 1975, and the changes in fund balance for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
April 9, 1976.


F.N. Scott, C.A.,
Provincial Auditor.

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WORKMEN'S COMPENSATION BOARD

ACTUARIES' CERTIFICATION concerning THE FINANCING OF THE SUPERANNUATION PLAN

The last actuarial investigation of the financial position of the Superannuation Plan of the Workmen's Compensation Board, Ontario, was held as at 1st January, 1974.

Such investigation indicated that the Plan was then in a satisfactory financial position, subject to contributions continuing to be made by the Board and the members of the Plan at established levels, in addition to certain Special Contributions payable by the Board each year through to 1983.

Contributions anticipated by the 1st January, 1974 actuarial investigation were made, during 1974 and 1975, and in addition, further special payments were made by the Board, in recognition of the effect on the Plan's financing, of inflationary increases in members' salaries during these two years.

Another actuarial investigation of the Plan's position will be conducted in 1976, and it is anticipated that an experience deficiency will be revealed. Any such experience deficiency will be funded by the Board in accordance with The Pension Benefits Act.

JOHNSON & HIGGINS WILLIS FABER LTD.

Per:

L. N. Taylor
Fellow, Canadian Institute of Actuaries

Per:

Donald R. Millner
Fellow, Canadian Institute of Actuaries

9th April, 1976

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-A56



ANNUAL REPORT 1976

WORKMEN'S COMPENSATION BOARD

ONTARIO

ANNUAL REPORT

1976

WORKMEN'S COMPENSATION BOARD

ONTARIO

GENERAL REVIEW FOR 1976

Workmen's Compensation Board

Head Office: 2 Bloor Street East, Toronto, Ontario

To Her Honour the Lieutenant-Governor:

The Workmen's Compensation Board is pleased to submit its
annual report of operations for 1976.

SUMMARY OF OPERATIONS

	\$000's	
	1976	1975
Payroll upon which assessment revenue was based	*\$ 25,198,000	\$ 21,400,000
Incidents reported as work injuries	433,799	395,528
<u>Schedule I of the Act</u>		
<u>Schedule I Benefits paid & awarded</u>		
Medical Aid paid	\$ 50,728	\$ 43,913
Compensation paid	179,144	141,039
Rehabilitation	4,156	2,796
Pensions awarded	89,433	65,464
	\$ 323,461	\$ 253,212
<u>Silicosis Benefits</u>		
Medical Aid paid	\$ 81	\$ 99
Compensation paid	178	182
Rehabilitation paid	-	1
Pensions awarded	1,558	2,426
	\$ 1,817	\$ 2,708
TOTAL	\$ 325,278	\$ 255,920
<u>Legislated Increases</u>		
Pensions	\$ -	\$ 94,300
Other future costs	-	41,900
Silicosis - pensions	-	2,500
	-	\$ 138,700
Total payments and awards under Schedule I of the Act	\$ 325,278	\$ 394,620
<u>Schedule II of the Workmen's Compensation Act and Federal Government Employees Compensation Act</u>		
<u>Schedule II Benefits Paid</u>		
Medical Aid paid	\$ 5,526	\$ 4,890
Compensation paid	11,833	9,403
Rehabilitation paid	280	128
Pensions paid	9,071	8,034
	\$ 26,710	\$ 22,455
Compensation paid directly by Schedule II employers	7,883	6,311
	\$ 34,593	\$ 28,766
Awards & Payments (exclusive of Legislated increase above)	\$ 359,871	\$ 284,686
Legislated Increases	\$ -	\$ 138,700

* Estimated adjusted payroll

INTRODUCTION

In 1976, as in previous years, the Workmen's Compensation Board provided a broad range of services for Ontario's injured workers.

The number of work injuries reported to the Board in 1976 totalled 433,799, a 9.7% increase over the 395,528 reported in 1975.

Benefits awarded under the Act for both Schedule 1 and Schedule 2 employers totalled \$359.9 million in 1976, compared to \$284.7 million in 1975, an increase of 26.4%.

Notable among Board activities and developments during 1976 were the following:

- . A substantial increase in the number of Claims Adjudicators undergoing training.
- . A significant strengthening of the Board's staff of Vocational Rehabilitation Counsellors.
- . Changes in the Appeals system which have expedited Appeals decisions.
- . Introduction of industrial-disease compensation for certain gastrointestinal cancers.
- . New communications links to provide immediately basic Claims service information at Area Offices.
- . Improvements in records management for faster availability of file information.
- . Expanded staff-education programs to enhance knowledge and upgrade skills, designed to meet the needs of individual employees and of the organization.
- . The establishment by Order in Council of a Joint Consultative Committee comprising members from organized labour, industry and the general public.

- . Sponsorship by the Council of Safety Associations of a Conference on Alcohol and Drugs in the Workplace.

- . Encouragement by the Council of First Aid Training in elementary and secondary schools.

Additionally, in 1976, the Board essentially completed an actuarial study designed to refine and improve its guidelines for estimating future costs and revenues for existing claims.

THE CORPORATE BOARD

The Corporate Board was brought to full strength in 1976 with the appointment by Order in Council of two additional Commissioners of Appeals. The Board -- which consists of a Chairman, a Vice-Chairman of Administration, a Vice-Chairman of Appeals, and not more than four Commissioners of Appeals -- is responsible for all of the Board's policies, programs and budgets. The Board met formally on 29 occasions in 1976 to consider such matters. In addition, members of the Board met on many occasions with representatives of organized labour, industries and trade associations, injured worker groups, professions and others interested in workmen's compensation.

The Executive Directors of the operating Divisions meet regularly as a Management Committee, under the chairmanship of the Vice-Chairman of Administration. This Committee reviews administrative matters and develops policies, programs and financial plans for the Board's consideration.

Additional Commissioners and supporting staff assist the Vice-Chairman of Appeals.

Following the recommendations of the Task Force on the Administration of Workmen's Compensation in Ontario, a Joint Consultative Committee to the Board was established by Order in Council, early in 1976. The initial Committee has since been expanded and is composed of representatives of labour, industry and the general public. The members of the Committee or its sub-

Committees met on 12 occasions in 1976; and the Committee was fully briefed on all of the Board's major activities. While its first year of operation was essentially developmental, through research and discussion the Committee produced recommendations in several areas of special interest for the Board's consideration.

The Workmen's Compensation Board, through both formal and informal relationships, continued in 1976 to provide a wide variety of data to the Government Ministries concerned with Occupational Health and Safety, to help identify hazardous industries, processes and materials. In addition the Board continued to fund the Mine Rescue Stations through the Ministry of Natural Resources, the Miners Chest Examining Stations through the Ministry of Health, Safety Inspection in the Construction Industry through the Ministry of Labour, and the entire operations of the nine Industry Associations formed under the Workmen's Compensation Act for education in accident prevention.

CLAIMS SERVICES

During 1976, the staff of the Claims Services Division continued and strengthened their commitment to helping the injured workers of Ontario in every way possible.

This mission is, of course, guided by the terms of the Workmen's Compensation Act.

One of the basic concepts in the Act is that benefits are awarded for "personal injury by accident arising out of and in the course of the employment." Among its many other provisions, the Act spells out in considerable detail when and how such compensation may be paid, and on what scale.

It is the principal task of Claims Services to decide whether a claim for compensation may be allowed under the Act and what payments may be awarded.

This adjudication function includes making essential enquiries and conducting local investigations where necessary, and

reviewing all adverse decisions made by Claims Adjudicators.

Other Divisional functions include claims counselling on a personal basis, and providing information on claims matters to all parties involved.

However, all the activities of the Claims Services Division support the core function of adjudication.

In 1976 the Division received 433,799 claims, every one of which had to be individually adjudicated. This represents a 9.7% increase over the 395,528 claims received in 1975.

Even if all claims were simple and straightforward -- as, indeed, the majority of them are -- the sheer mass of detail work represented by the handling of more than 430,000 claims in one year is formidable.

But not all claims are simple and straightforward.

When complications or questions arise in any claim, it is the duty of the Board to:

- (a) determine the facts, and
- (b) adjudicate the claim.

In every case, the fundamental question the Adjudicator must resolve is related to entitlement: does this worker qualify to receive benefits under the Act?

At all times, the Board's Claims Adjudicators are fully aware of their responsibility to obtain the necessary information and make decisions as quickly and fairly as possible.

Reporting of Accidents

Among the circumstances that can adversely affect adjudication and delay a decision on entitlement are the following:

- . The worker fails to report the accident to his/her employer at the time it happened.

- . The employer fails to report the accident to the Board promptly (i.e., within three working days of learning of the injury).

- . Conflicting reports of what actually happened are received by the Board.

- . There are inconsistencies between the medical evidence (Form 8, submitted by the doctor or hospital) and the accident report (Form 7, submitted by the employer). For instance, the condition treated may be -- or appear to be -- unrelated to the type of injury reported.

- . There are discrepancies in identification between Form 7 and Form 8 (e.g., different spelling of name, different address, date of injury does not match).

- . Many workers covered by compensation are employed in areas at some distance from their company offices, and there are communications difficulties (typical industries where this happens are lumbering and construction).

- . The employer believes an accident was a First Aid incident when in fact there was Medical Aid -- and therefore does not report the accident to the Board.

- . There is an unusual time interval between the date of an accident and the date of first Medical Aid treatment.

- . Medical reports (from doctors, hospitals, etc.) are delayed.

- . An accident is erroneously reported to the Board as requiring Medical Aid Only, when in fact it is a Lost Time accident.

In various ways, the Board -- and the Act -- have exerted pressures over the years, to reduce or offset the causes of these delays.

The Act provides penalties for late reporting by employers, and these penalties are enforced. Further, in 1976, the Board conducted an institutional advertising campaign designed to inform workers about the need for prompt accident reporting.

The Claims Services Division continues its best efforts to detect and remedy accident-reporting lapses. For instance, when the Board first learns about an accident through a phone call (from a worker or union representative), the event may be confirmed by a phone call to the employer, and a compensation cheque expedited.

Medical Aid and Lost Time

In round figures, of the 433,000 claims received by the Board in 1976, 31,000 did not qualify for entitlement under the Act; the Board paid 243,000 Medical Aid Only claims and 155,000 Lost Time claims; and, in addition, there were some 4,000 claims received towards the end of the year, which were in the process of adjudication as of December 31, 1976.

Some definition of "Medical Aid Only" and "Lost Time" will be helpful to an understanding of these figures.

The Act stipulates that "compensation for disability shall be computed and payable from and including the day following the day of the accident or from the date of the disability, whichever is the later." Because of the wording just cited, when an injured worker loses time only on the day of the accident and receives medical treatment, this is not categorized under the Act as a Lost Time claim; it is Medical Aid Only. In most Lost Time accidents the disability is immediate, so compensation is normally payable from the day after the accident.

However, in all allowed claims, Medical Aid invoices (doctors' and hospital bills and the like) are paid by the Board whether there is Lost Time or not.

Service for Lost Time Claims

In approximately 85,000 of the Lost Time claims paid in 1976, the initial documents received by the Board were adequate for adjudication purposes. That is, the employer's report of accident indicated that a work-related injury had in fact occurred, and there was sufficient indication of disability. On the basis of

this information, compensation cheques were mailed for 94% of these claims within three days, and for 97% within four days of receiving the report. In some 70,000 Lost Time claims, payment could not be made as quickly because of complications such as failure of the employer or employee to report the accident promptly, discrepancies between the nature of injury and history of accident, or conflicting details concerning the accident. In these cases it was necessary to conduct enquiries to establish that, in accordance with the Workmen's Compensation Act, there had been a personal injury which arose out of and occurred in the course of the employment. Nonetheless, the Claims Services Division staff was able to resolve the difficulties and pay 55% of these complicated claims within 10 working days, and 94% of them within 20 working days, of receiving the employer's report of accident.

Continuing Adjudication

The initial adjudication decision -- with respect to entitlement -- is by no means the only one. Adjudicators must be constantly making judgments on such matters as authorization of payments beyond the first allowances, medical referrals and recommendations, injury hazards (a diabetic can lose an arm from a cut finger), degrees of disability, referrals for rehabilitation procedures, pre-existing conditions (common in back complaints), new complications (a fractured arm may cause a shoulder disability), and many other complexities. In this task of continuing adjudication, the Claims Adjudicator must be particularly sensitive and alert to the needs of the injured worker, and in frequent liaison with such specialized personnel as physicians, surgeons and Rehabilitation Counsellors. Individual cases may require attention and service for five or 10 years, or even longer; cases which had been "closed" can be re-opened, and benefits paid after establishing that the recurring disability is the result of the original accident.

While giving every possible consideration to individual needs in all decisions, the Adjudicator must adhere to the detailed and specific provisions of the Workmen's Compensation Act.

In meeting the massive and varied challenges of adjudication, the Claims Services Division has, over the years, constantly responded with timely and carefully-planned measures. From the various improvements instituted in 1976, four important areas may

be singled out for mention: innovation; claims file control; communications; and training of personnel.

Innovation

New approaches in organization or procedures are unavoidably venturesome, and can have large -- and not entirely predictable -- consequences. But they are essential for the health and growth of any corporate activity. Major changes in the structure of the Board as a whole -- and of the operating Divisions, including Claims Services -- were made in the past few years, and have been described in recent Annual Reports.

During 1976, continuing this pattern of innovation, the Claims Services Division conducted two comprehensive experiments -- one a new grouping of Claims Adjudicators, the other a Claims Geographical Section -- which are summarized here.

Early in 1976, four experimental teams were organized in the Extended Disability Claims Sections. This was done to permit the adjudication of new claims to be handled by one team, continuing claims by another team, and more-complicated continuing claims by two other teams. After two months of operation it was the consensus of the Divisional executives and the participating Adjudicators that the experiment was a success. Therefore during the year, all 20 of the Extended Disability adjudication teams were similarly reorganized. Among a range of beneficial results have been more concentrated supervision and faster, more consistent claims decisions.

The experimental Claims Geographical Section was initiated in November, 1976. Under this concept, all claims from a specified geographic area are adjudicated by assigned groups at Head Office which specialize in claims from that area. The present experiment involves claims from the geographical region served by the Board's Sudbury and North Bay Area Offices. Many questions relating to the feasibility and desirability of such a system must be answered, and this experiment will continue until a reasonably clear pattern of requirements and characteristics can be developed.

Claims File Control

At the Workmen's Compensation Board, at any given time, about 33,000 Lost Time claims files are in the "active" category. Meanwhile, a total of some 1,700 new claims (Medical Aid and Lost Time) are being received by the Board each working day.

Under these circumstances, constant effort to maintain effective file control is essential. The circulation of files is controlled by the Administrative Resources Division. Improvements in this area were co-operatively instituted in 1976 by the Claims Services and Administrative Resources Divisions. Two examples:

Office space was made available in the Claims Sections handling Extended Disability compensation, for personnel from the Medical Services Branch who check Medical Aid invoices. As claims files must be consulted to answer many Medical Aid enquiries and approve invoices, this arrangement reduces file circulation and improves file availability.

During 1976 certain clerical support functions were moved from centralized locations into high-volume claims adjudication areas. As a result, claims payments have been expedited and the movement of files and documents substantially reduced.

Communications

In the Extended Disability Claims Sections, which provide most of the information needed to answer telephone enquiries from injured workers and others, 22 additional telephone lines were installed in 1976. An evening telephone service was instituted, primarily to complete calls which could not be completed during the regular working day.

Visual Display Units, connected to the Board's computer at Head Office, were installed during 1976 in all eight Area Offices. The first installation was at Sudbury in March, the last one at London in October. One result is that over 30% of claims enquiries at the Area Offices can now be immediately answered, in whole or

in part, by local staff from information displayed on the visual screens. In addition, print-outs of the same information may be made.

At present, only some questions may be answered through these units -- for instance, dates of the most recent payments, period of time covered, amounts paid, addresses the cheques were sent to, and so on. However, this system is being re-designed for the years ahead, so that it may be even more responsive to the needs of the people who are served by the Board.

Training of Personnel

During the past three years, the Claims Services Division has been operating an intensive training system for Adjudicators.

Presently, the classroom aspect of this training requires 12 weeks full-time for initial adjudication and 12 weeks full-time for continuing adjudication.

In 1976, 135 persons received classroom training in adjudication, compared with 98 the previous year.

This formal preparation is integrated with on-the-job training which extends over a period of at least two years. However, close supervision and coaching of Adjudicators by senior personnel continues indefinitely.

Because their training embraces a basic education in the purposes and problems of compensation, as well as in the specialized function of adjudication, Adjudicators are well qualified to move to other positions in the Board when vacancies occur. Thus, every year a number of Adjudicators transfer into claims counselling, vocational rehabilitation, the Appeals system, supervisory and executive positions, and other specializations. This is fully in line with the Board's policy of posting all job openings, and favourably considering qualified applicants from present staff; it has the obvious advantage of providing promotional opportunities, and encouraging competent employees to stay with the Board. However, it does place an appreciable load factor on the

adjudication-training process, and this is taken into account.

Other courses and programs were organized by the Division during the year. In 1976, nine Claims Investigators were trained in a 12-week (full-time) course, compared with seven the previous year. In 1976, 36 Claims Enquiry Counsellors were given a three-week (full-time) course, compared with four in 1975. Special familiarization courses for personnel of other Branches (Vocational Rehabilitation, Revenue, Records, etc.), ranging in duration from four hours to 35 hours, totalled 120 in 1976 compared with 14 in 1975.

Claims Counselling and Claims Review Branches

The Claims Information and Counselling Services Branch continued, refined and expanded its services to injured workers during the year under review. Among its personnel are Counseling Specialists who look after enquiries from M.P.s, M.P.P.s, labour representatives and employers; Claims Investigators who conduct personal interviews with the various parties involved in industrial injuries, to obtain the information necessary for the adjudication of complex claims; Telephone Enquiry Clerks who handle phone calls; Interpreters who provide multilingual translations for the Branch itself and for other Board functions (including Appeals); and Claims Counsellors who assist injured workers at the Board's eight Area Offices throughout the Province, two Information Centres in Metro Toronto, and the Board's Head Office.

In 1976 the Claims Review Branch, in addition to its function of quality control, reviewed all adverse decisions recommended by the Claims Adjudication Branch. Every adverse decision is reviewed by the Claims Review Branch before the worker, employer and other interested parties are notified that a claim is not allowable under the Act. The Claims Review Branch is staffed by senior specialists who have full authority to initiate further investigation, and to confirm or overrule Claims Adjudication Branch decisions.

REHABILITATION SERVICES

The prime function of the Rehabilitation Services Division is the restoration of the injured worker to a self-reliant and productive life, in every case where this is possible.

In summarizing the Division's record in 1976, three developments are of special interest:

- . Substantially heavier demands for a wide range of services were encountered. For instance, in 1976 compared with 1975, the number of patients discharged by the Hospital & Rehabilitation Centre increased by 19%; the number of files reviewed by Medical Advisers attached to the Claims Adjudication Branch increased by 16%; and the number of vocational rehabilitation interviews at Head Office increased by 72%. Innovative approaches and improved efficiency in procedures were major factors in meeting these and other growing demands during 1976 with only a modest increase of 5.3% in Divisional staff during the year.

- . In an area that has become critical because of accelerating workloads in recent years -- vocational rehabilitation -- some gratifying progress was registered in 1976. An intensive recruitment and training program brought the Board's staff of Vocational Rehabilitation Counsellors to full establishment level of 86. Caseloads in 1976 were still unacceptably high at an average of 91 per Counsellor, but this was an improvement over the 1975 average caseload of 109.

- . Two studies commissioned by the Board on the relationship between asbestos dust and gastrointestinal cancer -- involving both a specialist in pathology and a senior epidemiologist -- were completed in 1976. The Medical Branch prepared recommendations and guidelines based on these studies; and, as a result, on October 7, the Corporate Board was in a position to compensate certain gastrointestinal cancers as industrial diseases.

Hospital & Rehabilitation Centre

The Board's Hospital & Rehabilitation Centre has an enviable reputation for the development and application of new rehabilitation techniques. The Centre's staff strives to restore

self-confidence and high morale as well as physical health; the emphasis is on treatment of the "whole person." Each year many visitors from around the world as well as from Canada tour the H&RC to study its methods.

In 1976, as in previous years, utilization of the Centre's services has again increased, as shown in the following table:

HOSPITAL & REHABILITATION CENTRE

ACTIVITY	1976	1975	% CHANGE
Patients discharged during year	6,816	5,723	+19.1%
Patients ready for employment on discharge	4,170	3,526	+18.3%
Amputation Clinic -- patients treated	1,027	841	+22.1%
General Trauma Clinic -- patients treated	275	232	+18.5%
Back Assessment & Rehabilitation Clinic -- patients assessed/treated	237	158	+50.0%
Special Hand Clinic -- patients assessed/treated	603	508	+18.7%
Head Injury and Neurology Clinic -- patients assessed/treated	415	334	+24.3%
Orthopaedic Consultations	737	618	+19.3%

A Psychological and Social Evaluation Module, established in September, 1975, was well integrated into the Centre's operations during 1976; it is expected this unit, which helps patients recover from the adverse psychological effects of accidents, will have

the capacity to evaluate 350 patients a year.

Because treating physicians throughout the province have been referring more women to the Centre, a new female ward was opened during the year, augmenting a section of the hospital wards which had been set aside for female patients in 1974. In 1976, 618 women were treated as in-patients at the Centre.

An improved system of documenting medical data -- Problem Oriented Medical Records -- was commenced in 1975 and continues to be phased in at the H&RC; its use was greatly expanded in 1976. This system contributes to more efficient and more accurate diagnosis; it enhances recovery rates, treatment and rehabilitation by allowing simultaneous rather than consecutive resolution of a patient's problems.

During 1976, 820 administrators and specialists visited the H&RC to learn how the Centre's procedures can be applied in other rehabilitation settings; they came from the U.S.A., Australia, New Zealand, Scotland, South Africa, Japan and other countries.

Medical Branch

In 1975 a full-time physician was attached to the Primary Adjudication Section in Claims Services; in 1976 a second physician was allocated to this area. It was found that medical evaluation helped to identify cases where workers were ready and willing to return to employment; also, the early expediting of appropriate evaluation and treatment has speeded recovery in more serious cases.

Including these two physicians as well as the 10 medical advisers attached to the Extended Disability Adjudication Sections, there are 29 doctors in the Medical Branch. The following table is by no means a complete summary of the many duties carried out by this medical staff, but it does indicate the growing workload that has been experienced by the Medical Branch during 1976.

MEDICAL BRANCH

ACTIVITY	1976	1975	% CHANGE
Medical files reviewed by 12 Medical Advisers attached to Claims Adjudication Branch	81,433	70,089	+16.2%
Patients examined at Head Office, by the 12 Adjudication Medical Advisers	2,170	1,387	+56.5%
Medical files reviewed by Industrial Medicine Consultant	10,244	9,157	+11.9%
Medical files reviewed by three Surgical Consultants at Head Office	12,018	9,527	+26.2%
Patients examined by the three Surgical Consultants at Head Office	961	683	+40.7%
New cases evaluated by Medical Specialist for Industrial Hearing Loss	2,463	1,519	+62.2%
Cases reviewed by Specialist in Eye Disability	1,843	1,190	+54.9%
Patients examined by Board physicians to evaluate levels of permanent disability	11,690	8,873	+31.8%

The heavy program represented by the first two indicators -- 81,433 medical files reviewed and 2,170 medical examinations by the 12 Adjudication Medical Advisers -- arises from a monitoring program designed to control and expedite treatment, and to improve input from the treating physicians. At the end of 13 weeks, continuing Lost Time compensation cases are transferred

from Primary Adjudication to the Extended Disability Sections, and every file for such cases is considered for medical review at that point. Other reviews occur when queries or progress reports are received from treating physicians, when referrals are made to general hospitals or the H&RC or other institutions, when reports are received from Vocational Rehabilitation Counsellors, and at similar junctures. Among the questions for which Board doctors seek answers in such reviews are: Is this patient recovering at a satisfactory rate? Are there any signs of complications developing? Is a change of treatment indicated? Should specialist medical opinion be sought?

The net result of this careful, systematic, expert monitoring is better treatment programs at less cost.

To the 11,690 patients examined for permanent disability impairment (last entry in table), may be added a further 1,476 cases evaluated only on the basis of the attending physician's medical report; this yields a total of 13,166 cases examined for pension awards during 1976, an increase of 23.9% over the 10,629 assessed for pension the previous year.

The Medical Specialist who monitors cardio-vascular disease medically approved 39 cardiac claims in 1976 (29 non-fatal and 10 fatal) compared with 36 the preceding year.

Vocational Rehabilitation Branch

In helping the injured worker to return to gainful employment, the Vocational Rehabilitation Counsellor co-operates closely with employers, training institutions, government agencies and social welfare organizations. Much of the Counsellor's time is, of course, spent with workers who are being assisted -- sharing knowledge, arranging introductions, providing advice and inspiration. The seriously injured worker confronts -- and, usually, resolves -- a series of traumas, both physical and psychological; one of the more difficult stages is when he, or she, endeavours to re-integrate into the community and the world of work. Thus, the Vocational Rehabilitation Counsellor must have not only considerable knowledge and a wide range of contacts, but also maturity, sensitivity, judgment and social skills.

The following table indicates the considerable workload sustained by the Branch's Counsellors and other employees during 1976.

VOCATIONAL REHABILITATION

ACTIVITY	1976	1975	% CHANGE
Interviews at Head Office	6,184	3,585	+72.5%
Interviews at Area Offices	3,036	1,949	+55.8%
Interviews at Hospital & Rehabilitation Centre	13,384	11,703	+14.4%
Referrals to specialized services (Community Resources Adviser, Employer Contact Specialist, Social Workers)	15,691	14,619	+ 7.3%
Training programs completed during the year	1,065	915	+16.4%
Cases in which rehabilitation service completed during the year	19,749	15,104	+30.8%
New referrals to the Vocational Rehabilitation Branch	24,566	19,947	+23.2%
Aggregate caseload (new referrals plus cases carried forward from previous year)	30,138	24,440	+23.3%

At year-end the Board employed 86 Vocational Rehabilitation Counsellors; 14 of these were at the H&RC; 36 were based at Area Offices; and 36 were at the Board's Head Office.

In addition, 11 Rehabilitation Specialists provided expertise to assist in the more complex and difficult cases.

Medical Aid Services and Medical Aid Consultants

This Branch monitors treatment programs throughout the province, evaluates new techniques developed by orthopaedic surgeons, and pays for all treatment services provided under the Act for injured workers.

In 1976, 1,346,235 invoices were received, compared with 1,162,775 in 1975, an increase of 15.8%. Accounts paid included hospitals, convalescent care centres, physiotherapy facilities, physicians, chiropractors and other personnel and organizations delivering health care. Payments in 1976 totalled \$56,335,000, compared with \$47,085,000 in 1975, an increase of 19.6%.

The Medical Aid Field Specialist travelled widely during the year, providing service to seriously disabled workers and their families. The Consultant to the Board on Paraplegics supervised six new cases of paraplegia and one new quadriplegic case, successfully holding medical complications to a minimum.

Medical Research

The Board continues its policy of sponsoring or co-sponsoring medical research which shows promise of helping injured workers, and improving treatment techniques.

During 1976, the Board contributed to the following research projects and conferences:

Occupational Hearing Loss. Now in its third year, this investigation has centred on abnormal hearing-loss response, psycho-acoustic research, evaluation of protective equipment, and brain-stem audiometry.

- . Annual three-day Fracture and Trauma Course, organized by the Department of Orthopaedics, University of Toronto. Again, orthopaedic surgeons from many parts of Ontario benefited from lectures by world authorities. At the 1976 Course papers were presented by specialists from Paris, Basle, Los Angeles and Montreal.

- . Annual Orthopaedic Residents Symposium, at the University of Western Ontario. Purpose: to encourage clinical research by orthopaedic surgeons as they start their careers.

- . Phase Three of a three-year project at the Knee Evaluation Clinic in Toronto, to develop computer-analyzed identification of knee disabilities. This research was begun at Toronto General Hospital, and concluded at Toronto Western Hospital in 1976; analysis of results continues in 1977. One result of this project was development of a three-dimensional "electrogoniometer" which uses computer input to aid in the diagnosis of complicated knee injuries.

- . Chronic Bronchitis. Studies on this and other lung diseases started during 1976, particularly with a view to accurately assessing the correct diagnosis and the long term effects of sulphur dioxide particulate matter. These studies are continuing.

- . Conference on Oculomotor-Vestibular Disorders. Preparation was commenced in 1976 for this event, to be held in Toronto in March, 1977.

- . Hardware to Identify and Measure Pain. This is a feasibility study, covering existing hardware and the possibility of developing new and improved hardware. Such equipment, along with chemical methods, may be the key to more accurate identification of pain, which in turn would permit the generation of more sophisticated ways to control and abolish painful lesions.

- . Back Disability. A one-year study of the denervation of sacrospinalis muscles following spinal fusion operations, commenced in 1976 and scheduled to terminate in mid-1977.

- . Back Disability. An examination of the results of more than one major operation to the spine. Also a one-year project,

terminating in 1977.

. Back Disability. In 1976 a new program was initiated, using the Board's own computer, to retrieve data on various types of medical and surgical treatment. This data is being used for a comparative study of treatment methods; the researcher is based at the H&RC.

It should be noted, with respect to the last three projects, that in 1975 approximately 25% of all Lost Time injuries reported to the Board were due to trauma to the spine.

APPEALS

Anyone whose interests are affected -- including workers and employers -- may appeal any decision made by the Board's operating Divisions under the provisions of the Workmen's Compensation Act.

All appeals are decided by Commissioners of the Board, who may render decisions singly or act on a panel of three Commissioners as an Appeal Board.

A decision by a single Commissioner normally follows an Appeals Examiner's Inquiry, which all interested parties may attend. The Examiner then submits a report with recommendations to a Commissioner, who studies these along with the file, and makes a decision.

Any interested party may appeal the decision of a single Commissioner. When this occurs, a Hearing before an Appeal Board (a panel of three Commissioners) is scheduled. Following the Hearing and such further investigation as may be necessary, the Appeal Board panel makes its decision.

Under Section 74 of the Act this decision "is final and conclusive and is not open to question or review in any court." But Section 75 gives the Board the authority to subsequently reconsider and vary, amend or revoke any Appeal decision, at any time.

Anyone whose interests are affected may bring witnesses to an Inquiry or a Hearing, or evidence may be presented in signed statements or affidavits. Parties appealing may secure in advance and at no charge -- from the Board, through the Registrar of Appeals -- a Summary of Information detailing the basis of the decision which is being appealed.

During 1976 four additional Commissioners were appointed and by year-end 12 Commissioners were active in Appeals: seven Commissioners, four Commissioners of Appeals and the Vice-Chairman of Appeals.

As the following table shows, 1976 was a busy year for Appeals:

ACTIVITY	1976	1975	% INCREASE
Appeals to Appeals Examiners	3,213	1,614	+99.1%
Summaries of Information prepared	1,100	660	+66.7%
Inquiries held	2,093	1,295	+61.6%
Hearings held	1,006	635	+58.4%
Decisions rendered by single Commissioner	2,665	1,309	+103.6%
Appeals received for Appeal Board	1,319	635	+107.8%

Two important changes in the Appeals system were implemented in 1976:

. Prior to May 1, 1976, all appeals were automatically reviewed by the Claims Review Branch of the Claims Services Division, before being entered into the Appeals process. It was

found this procedure had the effect of expediting a favourable decision on some appeals, but delayed action on others. Therefore, all appeals are now entered directly into the Appeals system as soon as they are received.

. The practice of automatically scheduling an Appeals Examiner Inquiry for all incoming appeals was also changed on May 1, 1976. Now, an Appeals Examiner first checks incoming appeals and arranges Inquiries only when this appears necessary. Under the revised system, about 70% of appeals required an Inquiry; but in about 10% of appeals the Examiner referred the case with a recommendation to a single Commissioner, without an Inquiry; and in about 20% of cases, the Examiner (with the agreement of a Commissioner) referred the appeal directly for a full Appeal Board Hearing, without an Inquiry.

Although there were substantial volume increases in the various Appeals activities, elapsed times were significantly reduced in providing service to those using the Appeals system.

Despite the volume increases indicated in the preceding table, the waiting time for an Appeals Examiner's Inquiry was reduced from three months to four weeks during 1976; and by year-end the average time between an Appeal Board Hearing and the decision was cut from 46.9 calendar days to 39.5 calendar days.

Statistical or average times recorded for appeals are heavily influenced by postponements. Postponements occur when a deferment is requested by one of the parties, or when one of the parties fails to attend a scheduled Inquiry or Hearing.

There were 659 postponements of Appeals Examiner Inquiries and 670 postponements of Appeal Board Hearings during 1976. More than 80% of postponements are occasioned by the worker or his representative.

When such postponements occur, it is the Board's policy to re-schedule Inquiries and Hearings for the convenience of workers and others who are appealing the Board's decisions.

A review of the Appeals System by the Board is under way and it is expected this will be completed during 1977.

FINANCIAL AND ACTUARIAL

Actuarial

In 1975 the Board initiated a comprehensive study to refine and improve its guidelines for estimating the future costs of existing claims and the revenues necessary to meet those costs. This study, as it relates to the Board's existing liabilities, was largely completed in 1976.

Many complex factors had to be considered in arriving at methods which would, in the Board's judgment -- given the wide range of uncertainties -- produce the most appropriate and reliable estimates of future payments and revenues for existing claims that can be made at the present time.

As a result of this study, it was decided that three fundamental principles should apply, for the purpose of establishing the Board's recognized liabilities for existing claims.

1. Present trends in claims experience will not be projected into the future. For instance, the average duration of disability has increased in recent years, along with the volume of medical and rehabilitation services provided. While it was not considered advisable to project such trends, nonetheless it was considered necessary to fully allow for current trends right up to the time of the financial statements.

2. Average long-term yields for discounting liabilities will be estimated using anticipated future interest rates, future cash flow from current investments, and expected payments on existing claims. This approach will ensure, each year, that the average discount rate properly reflects changes in expected future interest rates, as well as changes in the investment portfolio.

3. Possible increases in future payments on existing claims resulting from future legislated amendments should not be anticipated in the recognized liabilities, directly or indirectly.

As a result of adopting these principles, the present value of future payments on existing claims, as at December 31,

1976, has been established at \$1,400 million. Of this, \$150 million is for future medical payments, \$370 million is for future temporary disability payments, and \$880 million is for future pension payments.

As the Board currently has assets of \$900 million, \$500 million (of the \$1,400 million in future payments) represents an unfunded liability. To meet this shortfall, the Board has authorized a surcharge on assessments for the years 1978 through 1991 of, on the average, 12.1 cents per \$100 of assessable payroll, in place of the previous practice of amortizing amendment costs over 10 years. This, together with the margin of approximately 30 cents per \$100 of assessable payroll in 1977, is expected to fund the deficit by 1991. However, the Board will review the adequacy of the surcharge each year in the light of changing circumstances.

In the Notes to the Financial Statements, it is stated that while a liability of \$1,400 million was established, a continuation of current trends could increase this liability to \$1,650 million and a reversal of current trends could reduce it to \$1,200 million.

A further contingency that should be considered is that if pension awards were protected from inflation through future legislative amendments -- and future investment yields are assumed to be 3% higher than inflation -- this would impose an additional liability of some \$900 million for existing claims.

Four highlights of the Board's financial experience in 1976 should be mentioned:

-- During 1976 some \$110 million was paid out on 1976 claims in addition to establishing a liability for future payments on these 1976 claims of \$270 million. Thus, in total, the current value of benefit payments on 1976 claims amounts to \$380 million.

-- Management of the Board's investment funds and a general improvement in investment yields during the year increased the expected long-term yield, resulting in a reduction in liabilities of \$82 million.

-- The trends in claims experience already referred to (including increased average duration of disability) resulted in an increase in liabilities of \$74 million.

-- There were no legislative amendments to the Workmen's Compensation Act in 1976, and hence no further increase in liabilities due to this factor.

Employers and Assessed Payroll

There was no great change in the number of employers reporting to the Board under Schedule 1, the total in 1975 and 1976 approximating 145,000. In 1976, more than 18,700 new accounts were opened and some 1,600 closed accounts were re-opened. This group was offset by 20,500 firms that ceased to be covered by the Act.

These figures are in line with the trend of recent years, which shows that the total of employers commencing and of employers terminating coverage within a calendar year has been running 25% or more of all the business on the Board's Assessment records.

The payroll covered in 1976 is estimated at \$25.2 billion, up from \$21.4 billion in 1975, with assessments for 1976 at \$452 million compared with \$328 million in 1975.

Investments

The Accident Fund Investments, valued on the basis of amortized cost, amounted to \$796.9 million at the end of 1976. This includes longer-term portfolio bonds, debentures or mortgages of \$660.5 million and short-term securities to cover the Board's cash flow needs until May, 1977, when the next year's revenue commences.

Income on these investments in the year was \$62.3 million compared with \$47.8 million 1975. The running yield on the long-term investments as of December 31, 1976, was 8.27% compared with 7.53% as of December 31, 1975. The increase is

due to higher-than-average historical interest rates during the year, and a continuation of the policy of trading selected securities to improve yield in the future. These trading activities in 1976 involved a recorded loss of \$4.9 million, compared with \$4.4 million in 1975. Generally accepted accounting principles require that these losses be recognized in the year; but as a result of the trading they will be more than offset by improved yields in future years.

LEGAL SERVICES

The Legal Services Division advises the Board and operating management on legal matters. It is responsible for drafting legislation and regulations and performing the functions of Appeals Administrators for Hearings under Section 15 of the Act. It engages in litigation on behalf of the Board, including claims where the employee has exercised his right of election under Section 8 of the Act, thereby subrogating the Board to his cause of action for personal injuries.

The Division opened 322 new litigation files in subrogated action in 1976. It obtained judgments or settlements in 200 files in the same period, collecting \$1,091,000 in damages and paying a surplus over and above all compensation benefits of \$356,100 to injured employees.

The Division is under the direction of the Board Solicitor and General Counsel. It has a staff of four lawyers and five adjusters, one of whom is responsible for the transfer of costs under Section 8 (9) of the Act.

ADMINISTRATIVE RESOURCES

In addition to providing basic support services for the Board, the Administrative Resources Division initiated and implemented a number of service projects.

The Systems Development Program continued during the year 1976, with the major financial systems being scheduled for implementation early in 1977.

In 1976, visual display units and hard copy printers were installed in the Area Offices, directly connected to the Board's computer facilities in Toronto. Thus, the Area Offices now have immediate access to the same level of computer information that has been available, for a number of years, at Head Office.

Continuing with the need to improve and expand the facilities at the Hospital & Rehabilitation Centre, this Division co-ordinated and monitored an extensive renovations and maintenance program to facilitate the initiation of new and expanded treatment programs by the Rehabilitation Services Division.

The Program Planning and Statistical Services Branch is responsible for providing data to meet the information needs of both the Board and external users and, as an example, in 1976 provided statistical and research support to the Ham Commission. The Board is co-operating with Statistics Canada for a National Statistics Program on work injuries and is now developing the required data base for major statistical programs on Ontario work injuries.

Records Management activities support -- and comprise an essential link for -- a number of the Board's processes and operations. In many instances, the ability of other programs to deliver a high level of service depends critically on the degree to which this Branch can effectively meet its program responsibilities. It is within this context, the recognition of operational inter-dependence, that Records Management has in 1976 continued to be actively engaged in operational reviews to more efficiently support the various Board programs.

The focus of these endeavours has been the enhancement of claim file control and availability. Some of these efforts and areas of activity:

- . Introduction of an evening claim search to provide improved turn-around for Claims Telephone Enquiry requests, thus more effectively supporting Claims Services in their ability to

respond to enquiries.

- . Improved methods in locating claim files required for in-person enquiries received at Head Office. Considerable progress has been made in the level of effectiveness and promptness in serving visitors.

- . Improved, by 42% in 1976, services relating to the proper routing, filing, and distributing of documents and files to the Extended Disability Claims Sections.

- . Restricted movement of claim files to ensure prompt adjudication and continuing payment authorization, while meeting other concurrent and multiple information needs.

HUMAN RESOURCES

A full range of personnel activities and organization planning and development are the principal functions of the Human Resources Division.

Among personnel functions are recruitment, benefits and salary administration, and staff relations.

Organization planning and development embraces staff training and education, organization analysis, and staff planning and development.

Staff

At December 31, 1976, the total staff of the Board and the Safety Associations was 2,210, compared with 2,125 on the same date the previous year.

Staff distribution in 1976 was: Head Office 1,394, Hospital & Rehabilitation Centre 328, Safety Associations 319, and Area Offices 169.

306 staff members have bilingual or multilingual capacity, providing service in 35 languages.

On July 14, 1976, the Board signed the first collective agreement with the Canadian Union of Public Employees. The Union -- which was certified in October, 1975 -- is the bargaining agent for some 1,100 Board employees. The collective agreement was effective from October 3, 1975, to September 30, 1976. During the last three months of 1976, negotiations between CUPE and the Board proceeded, and were continuing at the year-end.

Staff Training and Education

During 1976, more than 1,050 staff participated in a number of diverse training and workshop programs designed to upgrade skills and provide information.

Included in these programs were such activities as Telephone Training, Supervisory Management, Staff Relations Training, and Letter and Report Writing. Also included were Management Information Sessions (how supervisors and managers can develop their staff) and Personnel Development Workshops (how individual staff members can plan their careers). Not included are Familiarization Programs for new staff members.

In addition, under the Board's Tuition Assistance Plan, 118 staff members enrolled in 204 job-oriented business or degree courses.

At a series of "Let's Discuss It" luncheons, Branch functions and job classifications throughout the Board were described. These noon-hour events -- organized by the Human Resources Division and the Positive Action for Women Committee -- were attended by more than 500 employees.

PUBLIC AFFAIRS

The Board's public relations programs are primarily

designed to inform those most closely concerned -- for instance, workers and employers -- about Ontario's compensation system, its requirements and benefits. In addition, news reports and background articles on developments and activities at the Board are provided for the media and the public at large. The Board promotes safety education to reduce on-the-job hazards and encourages the wide dissemination of First Aid skills. These and related functions are carried out through the Public Affairs Division.

Safety Council

The Council of Safety Associations continued and expanded its activities during 1976.

The Council comprises nine Ontario Safety Associations and the Board.

The Associations, which are classified by type of industry, are financed by Schedule 1 employers through the Accident Fund. Total expenditure from the Accident Fund for the educational activities of the nine Safety Associations was \$10,997,000 in 1976 compared with \$9,977,000 in 1975.

The most recently established of the Associations -- Farm Safety -- was formed in 1973. But the other Associations have been operating for many years; indeed, the initial funding of Safety Associations under the Workmen's Compensation Act occurred in 1915, the year the Act came into force. The Council was established in 1974 to act as a clearing house for ideas, techniques, programs and materials among these Associations.

In addition to holding regular meetings and special sessions, the Council undertook two significant projects in 1976: a Conference on Alcohol and Drugs in the Workplace; and the preparation of a brief recommending First Aid training in schools.

The Conference on Alcohol and Drugs was held at Thunder Bay, Ontario, on November 4 and 5, 1976. A number of industrial leaders from Southern Ontario joined many of their Lakehead counterparts for the sessions, which were addressed by experts in the field. This meeting proved so successful that

planning was initiated for another similar conference in Southern Ontario in 1977.

The brief on First Aid training was submitted to the Ontario Ministry of Education in February. Largely as a result of this submission, the Minister of Education and the Minister of Labour jointly issued a memorandum on September 1, to encourage the teaching of First Aid as part of the curriculum. The memorandum went to Directors of Education and school Principals. The introduction of First Aid training has been recommended for Secondary (Grades 9 and 10) and Senior levels (Grades 11, 12 and 13), as well as for Intermediate level (Grades 7 and 8) in schools where there is sufficient curriculum flexibility to permit it.

Public Information

This section of the Public Affairs Division is, as its name indicates, responsible for communicating with the Board's various publics.

This responsibility includes:

- . Liaison with news media.
- . Production of a variety of booklets, pamphlets and brochures, some of which are printed in several languages.
- . Distribution of WCB documentary films on the Board and on rehabilitation.
- . Arranging for the Board's display unit to be shown and staffed at association or trade shows, to inform special groups about compensation.
- . Participation in the International Plowing Match and Farm Machinery Show, with an informational and safety-message display. In 1976, at Walkerton, Ontario, 20,000 visited the Board's tent.
- . Production of the Board publication, "WCB Report,"

issued six times a year. Mailed on request, this tabloid paper now has a circulation of some 18,000.

- . Production of a staff newspaper, "The Compensator," issued 11 times a year.
- . Co-operation with the Ontario Federation of Labour in providing Board speakers for workshops organized to study compensation and safety in the province.
- . Arranging for Board speakers to address meetings, as requested by a variety of organizations.
- . Arranging community visits at which the Chairman of the Board can meet employers, union officials, civic leaders and the press. During 1976 six visits were made to Ontario centres.

Educational Advertising

An educational advertising campaign was sponsored by the Board in 1976, from July until November, to encourage workers to report industrial accidents immediately to their employers.

The theme, "The sooner we hear, the sooner we can help," was stressed in a series of 60-second spot announcements carried on all Ontario radio stations, to reach workers in their cars and homes. These announcements were broadcast in English, French, Italian and Portuguese.

Follow-up surveys have indicated an improvement in accident reporting, as well as in the reporting of minor injuries for First Aid.

First Aid

The Workmen's Compensation Board continues its policy of encouraging Schedule 1 employers to meet First Aid Regulations under the Act, by underwriting the cost of St. John Ambulance training for up to two employees per shift per First Aid station.

In 1976, under this program, 283 persons were trained in the Emergency First Aid Course and 16,504 in the Standard First Aid Course.

In addition, the Board continues to provide financial assistance to Project LIFE (Learn Industrial First Aid Effectively). This project, in the Mississauga area, commenced in January, 1975. Trained under LIFE from inception to the end of 1976 were 1,704 in the Standard First Aid Course (of which 971 were trained in 1976), and 1,748 in the Emergency First Aid Course (of which 882 were trained in 1976).

In Project LIFE, the Board underwrites administrative costs. Some 400 companies are participating.

SUMMARY

During 1976, there was significant progress in the continuing improvement of Board services to the employees and employers of Ontario.

Dated at Toronto this 16th day of June, 1977.

WORKMEN'S COMPENSATION BOARD

YEAR ENDED DECEMBER 31, 1976

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To the Workmen's Compensation Board and
to the Minister of Labour.


Under my direction, the statement of financial position - Schedule 1 Accident Fund and Schedule 2 of Workmen's Compensation Board as at December 31, 1976 and the statement of income and unfunded liability - Schedule 1 Accident Fund for the year then ended have been examined. The examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as were considered necessary in the circumstances.

In accordance with its responsibilities under The Workmen's Compensation Act, as amended, the Board has established assessment policies which it deems to be sufficient to finance the unfunded liability as determined by the Board, the amount of which is dependent upon the estimate of the present value of future payments to existing claimants.

In my opinion, subject to the realization of assessments sufficient to finance the unfunded liability and subject to the estimate of the present value of future payments to existing claimants, these financial statements present fairly the financial position of the Board as at December 31, 1976 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the determination of the estimated present value of future payments to existing claimants referred to in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario,
June 16, 1977.


F.N. Scott, C.A.,
Provincial Auditor.

Actuarial Certification
of the
Financial Condition
of the
Schedule I Incurred Claims Reserve
as at 31 December 1976

The reserve for Schedule I incurred claims and the 1977 assessment rates have been computed by the Board's Staff Actuary, which I have subjected to such tests as were deemed necessary. In this regard I have relied upon the representation made by the Board Management that the data used in computing the reserve was adequate and sufficient and also upon the audit of the financial statements.

In setting the reserves no allowance has been made for potential future legislated improvements to existing benefit levels, nor do they allow for the possibility of a continuation of recent trends towards increasing costs. In this respect reference is hereby made to the Board's comments in this report on the cost implications thereof.

The assumptions and methods used in calculating the reserves, as outlined in the Notes to the financial statements, are in accordance with sound actuarial principals and practices and are consistent with the methods used to establish the value of the assets of the Accident Fund as shown in the Balance Sheet.

In my opinion, the reserve of \$1,400,000,000. as at December 31st, 1976 makes good and fair provision for the future payments on Schedule I claims incurred up to December 31st, 1976; the resulting unfunded liability of \$500,000,000. is being adequately financed by the surcharge on future assessments as have already been approved by the Board and referred to in this report, and the 1977 assessment rates make good and fair provision for the expected costs and other expenses of 1977 claims.



Leslie N. Taylor
Fellow, Institute of Actuaries
Fellow, Canadian Institute of Actuaries

June 16, 1977

STATEMENT OF FINANCIAL POSITION

SCHEDULE 1 ACCIDENT FUND AND SCHEDULE 2

DECEMBER 31, 1976

	\$000's	
	1 9 7 6	1 9 7 5
	(Note 2)	
<u>Assets</u>		
Cash	\$ 4,551	\$ 6,896
Short term investments	136,326	95,946
Assets held for Schedule 2 employers	5,775	3,406
Investments, not in excess of amortized cost	660,533	561,193
Accrued investment income	19,951	11,563
Assessments and other receivables	72,128	50,815
Prepaid administration expense	77	213
Land, buildings and equipment	14,168	14,056
Total assets	\$ 913,509	\$ 744,088
<u>Liabilities</u>		
Accounts payable and accrued charges	\$ 11,288	\$ 8,700
Net deposits by Schedule 2 employers	5,775	3,406
Estimated present value of future payments to existing claimants (Note 7)	1,400,000	1,250,000
Total liabilities	\$1,417,063	\$1,262,106
(Unfunded liability) - Page 4	(\$ 503,554)	(\$ 518,018)

On Behalf of the Board

Michael Stan
Chairman

[Signature]
Vice Chairman of Administration

See accompanying notes.

STATEMENT OF INCOME AND UNFUNDED LIABILITYSCHEDULE 1 ACCIDENT FUNDYEAR ENDED DECEMBER 31, 1976

	<u>\$000's</u>	
	<u>1 9 7 6</u>	<u>1 9 7 5</u>
	<u>(Note 2)</u>	
Income		
Assessments and penalties (net of uncollectible assessments 1976 - \$4,876; 1975 - \$2,020)	\$452,485	\$331,315
Investment income	<u>62,250</u>	<u>47,952</u>
Total income	<u>\$514,735</u>	<u>\$379,267</u>
Expenses		
Benefits - Page 7	\$451,270	\$544,775
Accident prevention - Page 8	10,997	9,977
Administration - Page 9	27,437	23,262
Medical and rehabilitation services	5,261	4,430
Mine rescue	364	405
Restructuring investment portfolio (Note 4)	<u>4,942</u>	<u>4,407</u>
Total expenses	<u>\$500,271</u>	<u>\$587,256</u>
Excess of income over expenses (expenses over income) for the year	\$ 14,464	(\$207,989)
(Unfunded liability), beginning of year (Note 2)	(<u>518,018</u>)	(<u>310,029</u>)
(Unfunded liability), end of year	(<u>\$503,554</u>)	(<u>\$518,018</u>)

See accompanying notes.

WORKMEN'S COMPENSATION BOARDNOTES TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 19761. Accounting policies

(a) Investments purchased for a premium or discount are amortized on a yield basis.

(b) Fixed assets are recorded at cost and depreciated on a straight line basis at the following rates:

Buildings	2½%
Equipment	20%
Motor vehicles	25%
Leasehold improvements	10%

(c) Assessment income is determined on the basis of provisional payrolls reported by employers; at year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of actual payrolls being greater than provisional.

(d) The estimated present value of future payments to existing claimants is determined annually on the basis of actuarial valuations (Note 7).

(e) The Board has established assessment policies which are deemed to be sufficient to finance an unfunded liability which has been determined to exist as a result of making the provision for the estimated present value of future payments referred to in (d).

2. Changes in accounting practices

(a) An actuarial valuation was made at the end of 1976 in respect to the estimated present value of future payments to existing claimants. Previously, the Board established specific reserves for outstanding claims, pensions, silicosis and asbestosis, second injury and rate stabilization and disaster, based on historical patterns of expenditure. Statements of changes in specific reserves, have been discontinued, as such reserves now form a part of the actuarial valuation.

(b) The change noted in (a) above has been applied retroactively to the 1975 operations. As a result, the 1975 figures have been revised on a comparative basis to include a further \$310,029,000 of provision for future payments to existing claimants as follows:

Total reserves at January 1, 1975

As previously reported

Outstanding claims

Pensions

Silicosis and Asbestosis Fund

Second Injury

Rate Stabilization and Disaster

Contingency

\$000's
\$200,261
375,864
6,360
16,823
8,717
31,946
<u>\$639,971</u>

Additional amount required as a result of
actuarial valuation

310,029

Estimated present value of future payments to
existing claimants at January 1, 1975

\$950,000

NOTES TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 19763. Supplementary financial position informationInvestment portfolio

	\$000's			
	1 9 7 6		1 9 7 5	
	Book value	Market value	Book value	Market value
<u>Schedule 1 Accident Fund</u>				
Bonds	\$594,708	\$562,193	\$558,915	\$475,069
Mortgages	65,825	65,825	2,278	2,278
	\$660,533	\$628,018	\$561,193	\$477,347
Short term	136,326	136,326	95,946	95,946
	\$796,859	\$764,344	\$657,139	\$573,293

Land, buildings and equipment

	\$000's			
	1 9 7 6		1 9 7 5	
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 6,754		\$ 6,754	\$ 6,640
Buildings and road	7,687	\$ 3,262	4,425	4,229
Leasehold improvements	988	206	782	768
Equipment	4,970	3,102	1,868	2,072
Board cars	549	210	339	347
	\$20,948	\$ 6,780	\$ 14,168	\$ 14,056

4. Investments

During the year the Board determined it desirable to continue to restructure its investment portfolio, in order to increase the effective yield on its investments, by selling certain investments and using the funds to purchase investments with a higher effective yield. A loss of \$4,942,000 (1975 - \$4,407,000) was recorded on the sale of the investments. There were no losses on Schedule 2 investments. The benefits on this restructuring will be spread over the life of the purchased investments in the form of higher investment income.

5. Anti-Inflation guidelines

Pursuant to the terms of the enabling Act of the Ontario legislature, the Board is subject to Part IV of the guidelines issued under the Federal Anti-Inflation Act. Accordingly salaries and wages paid by the Board are subject to restraint under the Federal program.

The Board is in full compliance with the anti-inflation guidelines from the date of inception of the program to December 31, 1976.

WORKMEN'S COMPENSATION BOARDNOTES TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 19766. Commitment to Board's Superannuation Fund

The most recent actuarial valuation of the Superannuation Fund was made as at January 1, 1974. Actuarial recommendations contained with that valuation, in addition to supplementary information received during the intervening period indicated that the fund required, in addition to current service contributions, a past service contribution, for the year 1976, of \$1,500,000, in order to recognize all plan amendments and experience deficiencies occurring to the end of 1974. In accordance with these recommendations, the Board made a special contribution of \$1,500,000 during 1976 to the Superannuation Fund (1975 - \$1,500,000). Further contributions of a similar amount will be required in each of the years 1977 to 1979.

7. Estimated present value of future payments to existing Schedule 1 claimants

Since last year the Board has established new guidelines for estimating the present value of future payments to existing Schedule 1 claimants. Based on these guidelines the Board's Staff Actuary used the following methods and assumptions.

- (a) Liabilities were established for future payments on existing Schedule 1 claims with regard to temporary disability payments, permanent disability pension payments, payments to dependants, and medical aid costs. Conversely, no liabilities were established with regard to future administrative or rehabilitation costs as they are to be treated as an expense in the year in which they are paid.

With regard to liabilities established under (a) --

- (b) Future non-pension payments were based upon recent experience with allowance for past changes in earnings levels and previous amendments. Over the last several years a trend toward higher payments over and above that caused by increasing earnings levels and amendments has been experienced. Whether this will continue in the future or not is far from certain at the present time. With this in mind, payments were established on three bases, namely; continuing trends, a reversal of trends and and no trend.

- (c) Future pension awards were established using the same methods as for non-pension payments under (b).
- (d) Expected future payments on existing and future pension awards re current Schedule 1 claims were based upon the mortality and remarriage experience on such pensions over the period 1972 to 1976.
- (e) All payments under (b) and (d) were allocated to the calendar year in which they will be paid, so as to form a future cash flow.
- (f) The present value of the payment cash flow under (e) was established by comparing it with the cash flow from the existing assets of the accident fund as well as making assumptions as to future interest rates and the value placed on the existing assets.

Based upon the preceding methods and assumptions, the present value of future payments to existing Schedule 1 claimants was found to lie between \$1,200 million if recent trends reverse, to \$1,650 million if they continue.

In the final analysis it was decided that, at the present time, the most appropriate assumption was to assume no further trends in either direction resulting in a value, as at December 31, 1976, of \$1,400 million being placed on the future payments for existing Schedule 1 claims. Consistent with this approach the value, as at December 31, 1975, of future payments to existing Schedule 1 claims was \$1,250 million.

SCHEDULE 2 ASSETS AND CHANGES IN NET DEPOSITSDECEMBER 31, 1976

	<u>\$000's</u>	
	<u>1 9 7 6</u>	<u>1 9 7 5</u>
<u>Assets</u>		
Cash	\$ 422	(\$ 391)
Short term investments	1,600	
Investments - not in excess of amortized cost	3,463	3,460
Accrued interest	67	67
Deferred charges	223	270
Total assets	<u>\$ 5,775</u>	<u>\$ 3,406</u>
<u>Changes in net deposits</u>		
Reimbursements from employers	\$ 28,675	\$ 21,493
Income from investments	448	251
Amortization of prior year's investment loss	(47)	(48)
Current year investment gains less losses	3	
	<u>\$ 29,079</u>	<u>\$ 21,696</u>
<u>Deduct</u>		
Benefits to workmen - Compensation	\$ 11,833	\$ 9,403
Medical Aid	5,526	4,890
Pensions paid	9,071	8,034
Rehabilitation	280	128
	<u>\$ 26,710</u>	<u>\$ 22,455</u>
Increase (decrease) in deposits during year	\$ 2,369	(\$ 759)
Net deposits, beginning of year	<u>3,406</u>	<u>4,165</u>
Net deposits, end of year	<u>\$ 5,775</u>	<u>\$ 3,406</u>

SCHEDULE 1 ACCIDENT FUND BENEFIT EXPENSESYEAR ENDED DECEMBER 31, 1976

	\$000's	
	1 9 7 6	1 9 7 5
Payments during the year		
Compensation	\$ 179,321	\$ 141,221
Medical aid	50,795	44,012
Rehabilitation	4,156	2,797
Pensions	67,640	57,681
	\$ 301,912	\$ 245,711
<u>Less:</u> recovered from third parties	(642)	(936)
	\$ 301,270	\$ 244,775
Provision for increase in estimated present value of future payments to existing claimants	* 150,000	300,000
Total benefit expenses	**\$ 451,270	\$ 544,775
<u>*Represents</u>		
Estimated present value of future payments to existing claimants		
Beginning of year	\$1,250,000	\$ 950,000
Provision for increase (as above)	150,000	300,000
End of year	\$1,400,000	\$1,250,000
<u>**Consists of</u>		
Benefits	\$ 451,270	\$ 406,075
Legislated amendments		96,800
Legislated pensions		41,900
	\$ 451,270	\$ 544,775

SCHEDULE 1 ACCIDENT FUNDACCIDENT PREVENTION EXPENSE BY CATEGORY AND SAFETY ASSOCIATIONYEAR ENDED DECEMBER 31, 1976

	\$000's	
	<u>1 9 7 6</u>	<u>1 9 7 5</u>
<u>By Category</u>		
Salaries and employees' benefits	\$ 6,598	\$ 5,754
Stationery and supplies	227	139
Occupancy costs	409	396
Equipment maintenance and rental	43	38
Travel expenses	940	875
Communications, advertising and information	2,391	2,226
Depreciation of equipment and furniture	62	104
Insurance and security services	14	14
Miscellaneous	313	431
	<u>\$ 10,997</u>	<u>\$ 9,977</u>
 <u>By Safety Association</u>		
Construction Safety Association of Ontario	\$ 4,095	\$ 3,984
Electrical Utilities Safety Association of Ontario	516	445
Forest Products Accident Prevention Association	664	579
Farm Safety Association, Inc.	294	282
Hospital Accident Prevention	226	190
Industrial Accident Prevention Association	3,727	3,210
Mines Accident Prevention Association of Ontario	594	521
The Ontario Pulp & Paper Makers Safety Association	208	163
Transportation Safety Association of Ontario	673	603
	<u>\$ 10,997</u>	<u>\$ 9,977</u>

SCHEDULE 1 ACCIDENT FUNDADMINISTRATION EXPENSESYEAR ENDED DECEMBER 31, 1976

	<u>\$000's</u>	
	<u>1 9 7 6</u>	<u>1 9 7 5</u>
Salaries and employees' benefits	\$ 27,052	\$ 22,479
Travel and vehicle maintenance	848	812
Stationery and office supplies	909	803
Other supplies and expenses	128	94
Equipment rental and maintenance	2,614	1,433
Communications and publications	1,582	1,315
Occupancy costs (net of \$543 rental income each year)	1,910	1,408
Credit reports and legal expenses	253	147
Professional fees and services	87	387
Insurance and security services	136	136
Depreciation of equipment	459	326
Chest examining station costs	352	324
Miscellaneous	397	918
	<u>\$ 36,727</u>	<u>\$ 30,582</u>
Less: Administration expenses charged to:		
Construction Safety Assessment	(\$ 69)	\$ 69
Hospital and Rehabilitation Centre	100	100
Medical and Rehabilitation Services	5,261	4,430
Schedule 2	3,998	2,721
	<u>\$ 9,290</u>	<u>\$ 7,320</u>
Net charged to statement of income and unfunded liability		
Schedule 1 Accident Fund	<u>\$ 27,437</u>	<u>\$ 23,262</u>

SCHEDULE 1 ACCIDENT FUNDHOSPITAL AND REHABILITATION CENTRE EXPENSESYEAR ENDED DECEMBER 31, 1976

	\$000's	
	1 9 7 6	1 9 7 5
Salaries and employees' benefits	\$ 5,654	\$ 4,828
Stationery and office supplies	55	50
Supplies	325	297
Occupancy costs	494	432
Equipment maintenance and rental	40	32
Travel expenses	24	17
Communications	70	32
Cafeteria	587	550
Depreciation of equipment and furniture	119	27
Insurance and security services	213	221
Miscellaneous	(52)	(61)
Administration expense charge	100	100
Total expenses*	\$ 7,629	\$ 6,525

*These expenses are part of the total benefit expenses shown on the statement of income and unfunded liability.

WORKMEN'S COMPENSATION BOARD
SUPERANNUATION FUND

Financial Statements
Year ended December 31, 1976

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To the Workmen's Compensation Board and
to the Minister of Labour.

Under my direction, the statement of assets of Workmen's Compensation Board Superannuation Fund as at December 31, 1976 and the statement of transactions and fund balance for the year then ended have been examined. The examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as were considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at December 31, 1976 and the changes in fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
June 16, 1977.


F.N. Scott, C.A.,
Provincial Auditor.

WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUNDSTATEMENT OF ASSETSDECEMBER 31, 1976

	<u>\$000's</u>	
	<u>1 9 7 6</u>	<u>1 9 7 5</u>
<u>ASSETS</u>		
Cash	\$ 653	\$ 313
Short term investments		3,000
Investments - not in excess of amortized cost	54,649	44,217
Contributions receivable	481	487
Accrued interest and dividends	<u>957</u>	<u>731</u>
	<u>\$ 56,740</u>	<u>\$ 48,748</u>

On behalf of the Fund

Michael Stan
Chairman

Vice-Chairman of Administration

See accompanying notes.

WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUNDSTATEMENT OF TRANSACTIONS AND FUND BALANCEYEAR ENDED DECEMBER 31, 1976

	<u>\$000's</u>	
	<u>1 9 7 6</u>	<u>1 9 7 5</u>
Contributions received:		
From the Board and staff	\$ 5,165	\$ 4,947
From Safety Associations and staff	<u>766</u>	<u>697</u>
	5,931	5,644
Income from investments	<u>3,475</u>	<u>2,623</u>
	\$ 9,406	\$ 8,267
 <u>Deduct</u>		
Pensions paid	1,151	1,051
Contributions refunded to staff	<u>263</u>	<u>138</u>
	\$ 1,414	\$ 1,189
 Increase in the fund for the year	\$ 7,992	\$ 7,078
Fund balance, beginning of year	<u>48,748</u>	<u>41,670</u>
Fund balance, end of year	<u>\$ 56,740</u>	<u>\$ 48,748</u>

See accompanying notes.

WORKMEN'S COMPENSATION BOARD SUPERANNUATION FUNDNOTES TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 19761. Accounting policies

Investments purchased for a premium or discount are amortized on a yield basis.

2. Supplementary statement of assets information

Contributions receivable amounting to \$481,000 (1975 - \$487,000) represents amounts for past service being contributed by certain employees of the Board and the Associations.

3. Actuarial valuation

The most recent actuarial valuation of the Superannuation Fund was made as at January 1, 1974. Actuarial recommendations contained with that valuation, in addition to supplementary information received during the intervening period indicated that the fund required, in addition to current service contributions, a past service contribution, for the year 1976, of \$1,500,000, in order to recognize all plan amendments and experience deficiencies occurring to the end of 1974. In accordance with these recommendations, the Board made a special contribution of \$1,500,000 during 1976 to the Superannuation Fund (1975 - \$1,500,000). Further contributions of a similar amount will be required in each of the years 1977 to 1979.

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Workmen's Compensation Board

Annual Report 1977



Workmen's
Compensation
Board

Annual
Report
1977



General Review for 1977

Workmen's Compensation Board,

2 Bloor Street East, Toronto, Ontario M4W 3C3

To Her Honour the Lieutenant-Governor:

The Workmen's Compensation Board is pleased
to submit its annual report of operations
for 1977.

Summary of Operations

		\$000's	
		1977	1976
	Payroll upon which assessment revenue was based	*\$27,100,000	*\$25,198,000
	Incidents reported as work injuries	423,767	433,799
Schedule I of the Act	Schedule I Benefits Paid & Awarded		
	Medical Aid paid	50,098	50,728
	Compensation paid	182,137	179,144
	Rehabilitation	4,889	4,156
	Pensions Awarded	97,640	89,433
		<u>\$ 334,764</u>	<u>\$ 323,461</u>
	Silicosis Benefits		
	Medical Aid paid	42	81
	Compensation paid	124	178
	Rehabilitation paid	-	-
	Pensions awarded	1,201	1,558
		<u>\$ 1,367</u>	<u>\$ 1,817</u>
	Total payments and awards under Schedule I of the Act	<u>336,131</u>	<u>325,278</u>
Schedule II of the Workmen's Compensation Act and Federal Government Employees Compensation Act	Schedule II Benefits Paid		
	Medical Aid paid	5,660	5,526
	Compensation paid	12,160	11,833
	Rehabilitation paid	265	280
	Pensions paid	9,699	9,071
		<u>\$ 27,784</u>	<u>\$ 26,710</u>
	Compensation paid directly by Schedule II employers	8,464	7,883
		<u>\$ 36,248</u>	<u>\$ 34,593</u>
	Awards & Payments	<u>\$ 372,379</u>	<u>\$ 359,871</u>

*estimated adjusted payroll

Introduction

The Ontario Workmen's Compensation Board recorded 423,767 claims during 1977. However, the success of the Board in meeting its objectives cannot be measured in statistics alone.

Each one of these claims represented a human being with a serious problem. Each claim had to be handled with understanding and compassion as well as efficiency. The record of the Board must be gauged, therefore, on a qualitative as well as a quantitative basis.

But still the figures are impressive. Although the number of claims recorded in 1977 were some 10,000 less than in the previous year, the demand for the Board's services continued to grow throughout the year.

The number of patients treated and discharged by WCB's Hospital and Rehabilitation Centre was six per cent higher than for 1976 and the volume of referrals to the Vocational Rehabilitation Branch--due largely to an expanded program of services--was up 16 per cent. Increased public awareness of the Board's appeals system helped generate the 12 per cent increase which both levels of this system experienced.

In meeting these increased demands, the Board managed to continue its high level of service to the public. A survey conducted in 1977 by the Administrative Services Division showed that 99.65 per cent of all mail for lost-time claims was processed within 48 hours, compared to an operating objective of 95 per cent. The Division was also able to meet 94 per cent of all 109,436 claims information requests within 24 hours; eighty per cent of all requests on an in-person basis were located within 15 minutes.

Achievements in 1977

The Workmen's Compensation Board achieved a number of successes in 1977. While most of these are discussed in the "Operations Review" section of the Report, it is appropriate to point out a few of the more notable ones.

The Rehabilitation Services Division continued to develop improved treatment methods at the Board's Hospital and Rehabilitation Centre at Downsview. Over the past three years the average length of stay of patients has decreased almost 24 per cent to the present 22.4 days--despite an increase of 44.33 per cent in the number of patients admitted to the Centre over the same period. In all, more than 7,000 patients were treated in 1977. Over 60 per cent of those discharged from the Centre were ready for employment.

The Vocational Rehabilitation Branch dealt with and successfully resolved a wide variety of adjustment and employment problems for 23,072 injured men and women over the year, enabling re-entry or successful continuation in the labour force.

The Claims Services Division launched a number of special investigations to locate persons with certain occupational diseases whose cases had not been previously reported. This resulted in awards for 27 cases of different occupational cancers. (Further investigations into cases of occupational diseases are continuing.)

The Workmen's Compensation Board continued to sponsor work on a number of ongoing medical research projects in the areas of industrial hearing loss, traumatology and occupational disease.

Plans were developed in 1977 to set up a pain identification and measurement module (PIMM), to attempt to measure pain by mechanical, chemical and psychological evaluation testing. Preliminary results indicate PIMM will be extremely valuable in identifying pain and thereby facilitating treatment programs.

To meet the demands for more and better services, the Board instituted a number of organizational changes during the year. The Appeals system was reorganized and a number of new systems created. New information and service offices were opened in three cities across the province and plans were made to

open a fourth early in 1978. The Administrative Resources Division continued its program to convert the Board's information processing to a new computer system designed to provide faster and more effective service to the public.

The Workmen's Compensation Board is constantly evolving in order to meet its responsibilities. Both the present reorganization of the Board and the innovative work being done by the Claims Services, Appeals, Medical Services and the newly created Vocational Rehabilitation Division will help bring even better service to the injured workers of Ontario

The Corporate Board

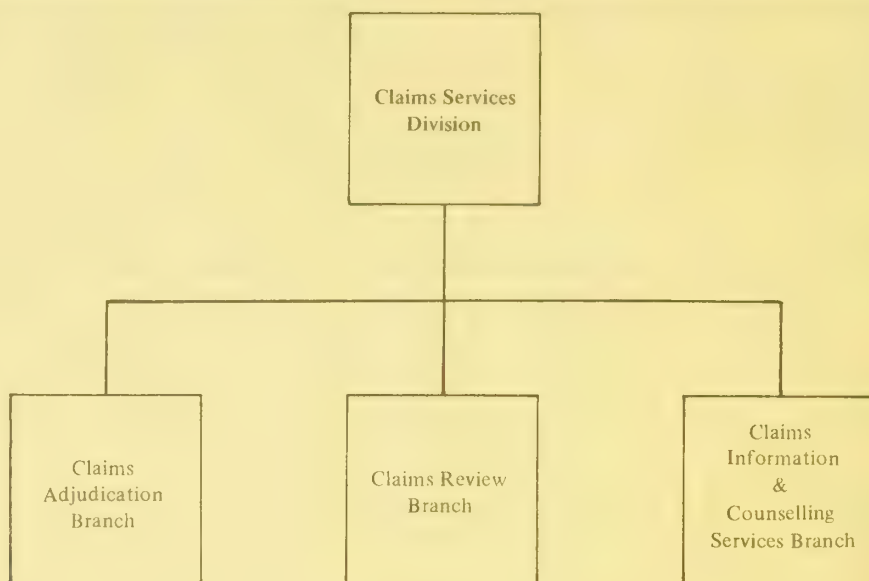
The Corporate Board consists of the Chairman, Vice-Chairman of Administration, Vice-Chairman of Appeals and four Commissioners of Appeals. Under Section 70 of the Act they have a variety of corporate responsibilities for the Board's policies and programs. In 1977, the Corporate Board transacted its regular business in 32 formal meetings. Throughout the year the Board members, collectively and individually, continued their practice of meeting with representatives of industry, trade associations, organized labour, injured worker groups, the professions, members of the legislature, and others, to discuss workmen's compensation matters. The Board also appeared before the Legislature's Standing Committee on Resource Development and the Select Committee on the Ombudsman.

The Board met twice during the year at the Hospital and Rehabilitation Centre at Downsview to consider policies and programs affecting the Centre and to meet informally with the patients being treated there.

The Management Committee of the Board, consisting of the executive directors of the operating divisions, met formally on 27 occasions, and on other occasions for special projects as necessary. This Committee, under the chairmanship of the Vice-Chairman of Administration, reviews and develops administrative policies, programs, and financial plans for presentation to the Corporate Board.

The Joint Consultative Committee to the Board, established by Order in Council under Section 70(3)(h) of the Act, and representing labour, industry, and the general public, continued in 1977 to review and discuss a variety of workmen's compensation matters and related topics, including briefs submitted by various representative groups. In addition, several special sub-committees prepared reports and recommendations for the Committee. The Committee provided the Board with the benefits of its research and conclusions.

Claims Services Division



The Claims Services Division is responsible for adjudicating all claims for compensation.

The three branches of the Division collectively provide comprehensive and equitable adjudication and counselling services. The Claims Adjudication Branch is responsible for the initial adjudication and authorization of continuing payments, as well as the establishment of awards for permanent disability. The Claims Information and Counselling Services Branch works to obtain information as a basis for decision making, and assists employees and employers by helping them to understand the claims adjudication process. The Claims Review Branch examines all adverse claims decisions before the employee and the employer are notified, ensuring that all claims are given thorough consideration. In each instance, a letter outlining fully the reasons for the adverse decision and a multilingual pamphlet explaining the right to appeal such a decision, are sent to the persons concerned.

In 1977, a total of 423,767 claims were reported. Of this number, approximately 60 per cent were no-lost-time claims (medical aid payments only) and 40 per cent were for lost-time claims involving payments of compensation.

Total benefits awarded or paid under the Act in 1977 were \$372.4 million, compared with \$359.9 million in 1976.

These included:

Compensation	\$203 million
Pensions	\$108 million
Medical Aid	\$56 million
Rehabilitation	\$5 million

Personnel Strengthened

To meet rising demand for services and to improve the quality of claims adjudication, the Division increased its staff in all branches in 1977.

The Claims Adjudication Branch added 56 new adjudicator positions to its complement. It also rearranged its organizational structure in order to provide faster and more efficient service. Branch responsibilities were more clearly defined by function and five new supervisory and two new managerial positions were created. This reorganization was phased in gradually during the year.

The Claims Information and Counselling Services Branch hired an additional 25 employees, most of them for the four new information service offices in Timmins, Sault Ste. Marie, St. Catharines, and Kingston. The Sault Ste. Marie and Timmins offices were officially opened in August, the St. Catharines office was opened in November, and arrangements were completed for the opening of the Kingston office in February 1978. As well, a counselling specialist and additional claims investigators were added to the staff.

Branch counsellors also continued regular visits to regions not served by area offices. At the beginning of 1977, counsellors from area offices were providing counselling services in 16 different localities. The frequency of visits is reviewed continu-

ously and adjusted according to the needs and volume of enquiries each year. All visits are advertised locally in advance.

An essential Counselling Branch responsibility is providing interpreters' services in 35 different languages. At Head Office, 29 full-time employees are used at least on a part-time basis as interpreters. Many of them work in the Claims Enquiry Counselling Section and are able to assist visitors as they arrive. The offices located throughout the province provide interpreting services to meet the linguistic needs of their particular communities.

In 1977, interpreters assisted at 466 board hearings, 467 appeals adjudicators hearings, and 27 out-of-office assignments. This represents a 33 per cent increase in service over 1976.

The Claims Review Branch examines all decisions before the worker, employer, or other interested parties are notified that a claim is to be disallowed under the Act. The review specialists have full authority to initiate further investigation, confirm the recommendation to disallow the claim or, with the approval of a senior review specialist, to alter the Claims Adjudication Branch's recommendation. During the year, 21,486 claims were referred for review which represented a 16.7 per cent increase on the corresponding figure (18,410) in 1976.

A review of the Claims Review Branch operations in 1977 led to a recommendation to acquire two more review specialists; this was approved in the 1978 budget.

Innovations Improve Communications

In 1977, the Claims Services Division made several changes to facilitate communications with injured employees and the general public. With the Administrative Resources Division, a courier service was set up to provide next-day delivery between Head

Office and the area offices. This has significantly speeded up the processing of claims.

Changes in the management of correspondence were made to improve the promptness and quality of replies to the public. The Division will continue to monitor correspondence throughout 1978.

The Claims Information and Counselling Branch introduced a comprehensive service guide for use by telephone enquiry clerks; the guide covers a wide range of situations commonly experienced when dealing with the public by telephone.

The Branch also made changes to improve the redirection of incoming calls. The telephone number information on cheque stubs was revised to ensure that incoming calls would go directly to the appropriate claims area.

The Telephone Enquiry Clerks assist adjudicators in obtaining information, permitting adjudication staff to devote more time to their primary duty, making entitlement decisions.

Special Investigations into Industrial Diseases

The Industrial Diseases and Dependents Section of the Claims Adjudication Branch launched a number of special investigations designed to locate victims of industrial disease whose cases had not previously been reported to the Board.

In 1977 the Section began investigating the cases of 97 uranium miners who died of lung cancer and whose names were taken from the Ontario Uranium Nominal Roll.

A special investigation to identify employees in the asbestos industry who have died or are suffering from mesothelioma, lung cancer, or gastrointestinal cancer was undertaken in co-operation with the Medical Branch of Rehabilitation Services. A special team visited 15 asbestos companies, which together submitted names of 10 workers, eight of

whom had died of cancer. Claims files are registered for these eight cases and they are currently under investigation. The Occupational Health and Safety Division of the Ministry of Labour is preparing an additional list of companies that work with asbestos products.

Investigations were also conducted into cancer cases for coke oven workers in Hamilton and for radiation exposure in Port Hope. The Hamilton investigation led to compensation awards in four cases. One case of cancer due to radiation exposure in Port Hope was accepted for compensation.

Staff Training

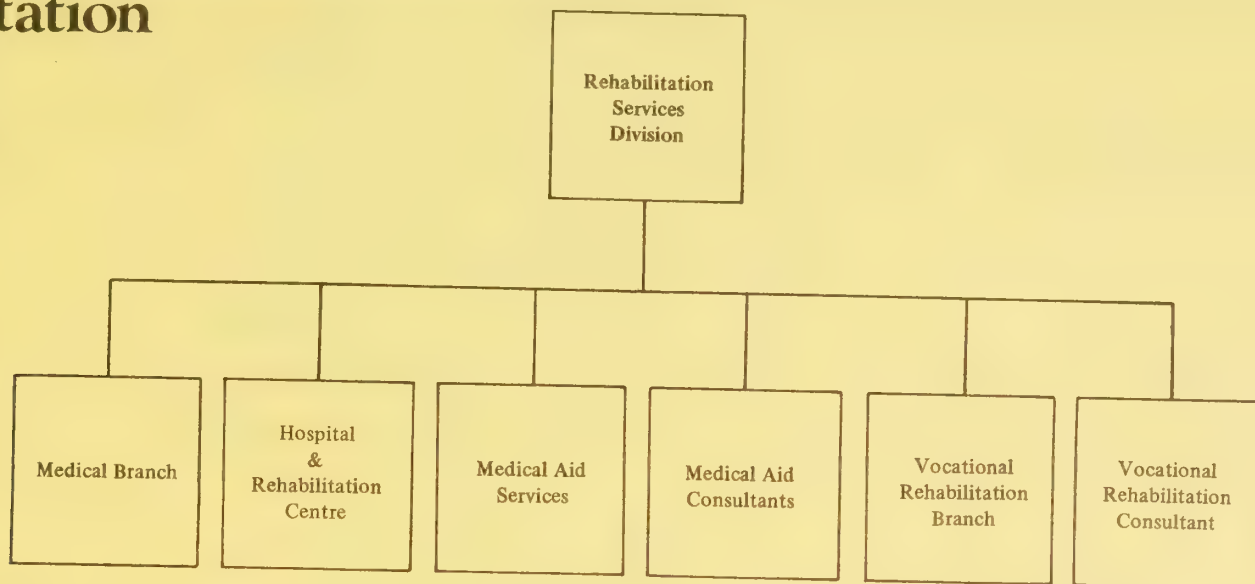
To improve the performance standards of division staff and to ensure a high quality of service to the public, the Claims Services Division continued to provide intensive training programs for new and present staff.

As a policy, staff members continue training throughout their employment with the Board. In 1977, 67 adjudicators attended courses lasting six to eight weeks, and 23 claims counsellors were given a three-week full-time course in claims policies and procedures.

The Division also organized sessions for staff members in other divisions. In all, 128 people in the Vocational Rehabilitation Branch attended sessions dealing with the claims function.

The Division's staff members also gave presentations on Board activities to 269 Unemployment Insurance counsellors in an effort to improve relationships between the two commissions.

Rehabilitation Services Division



The Rehabilitation Services Division is responsible for the Board's efforts to restore as many injured workers as possible to a self-reliant and productive life.

To achieve this, the Division provides a comprehensive and integrated service. It monitors the treatment of injured workers by physicians and other health care personnel around the province and is responsible for the operation of the 524-bed Hospital and Rehabilitation Centre in Downsview devoted entirely to the rehabilitation of men and women suffering from industrial accidents. Vocational counsellors assist in making it possible for rehabilitating workers to re-enter the job market. The Board's medical people also conduct extensive research.

Increased Workload

The workload of the Rehabilitation Services Division increased during 1977. The number of patients discharged from the Hospital and Rehabilitation Centre grew by 6.03 per cent between 1976 and 1977. This, however, represents a moderating trend, as increases for 1976 and 1975 were 12.86 and 19.1 per cent, respectively.

In the same three-year period (1975-1977), the number of cases reviewed by the surgical consultants of the Board's Medical Branch increased by almost 62 per cent. The increase during 1977 alone was 28.07 per cent. The number of cases reviewed by the 12 section medical advisor physicians increased 14.21 per cent during the year.

The total number of referrals to the Vocational Rehabilitation Branch also represented a significantly large rate of increase in recent years -- 85 per cent from 1974 to 1977. In 1977, the referrals grew by 16.44 per cent.

Increases in medical aid costs slowed significantly, rising at a rate of 5.83 per cent, compared to 16.07 per cent during the previous year. The total number of accounts for service in 1977 decreased by 4.37 per cent, largely because better medical treatment monitoring programs have led to improved recovery rates and degrees of recovery. Improved assessment techniques also contributed to this development.

Improved Recovery Rates

The Hospital and Rehabilitation Centre provides highly specialized and sophisticated services to injured workers. A number of clinics now handle specific disabilities: the Hand Clinic, the Back Assessment and Rehabilitation Clinic, the Amputee Clinic, the Head Injury and Neurology Clinic, the Psychological and Social Evaluation Module, and the General Trauma Clinic.

In recent years, the Division has improved techniques for dealing with patient caseloads, including increased efficiency in patient flow, the arrangement of appropriate and prompt consultations, and a team approach to treatment. A problem-oriented medical record system allows rapid identification of medical, paramedical, psychological, and social problems.

The quality of treatment has continued to improve during the last three years. The average length of patient stay has decreased by 23.8 per cent to the present level of 22.4 days. Over the same period there was a 44.33 per cent increase in the number of patients admitted to the hospital. Admissions in 1977 totalled 7,296.

The Centre has achieved an impressive treatment record. Although most patients admitted to the Centre have complex medical, psychological, and social problems which local treatment facilities have been unable to resolve, 62.53 per cent of the patients are ready for employment upon discharge from the Centre.

During 1977, 963 visitors from Australia, Mexico, Cuba, South Africa, Japan, New Zealand, Argentina, China, England, Sweden and from other Canadian provinces toured the Centre. Those from the United States included the Governor, and political and administrative representatives from Ohio where plans are underway to construct a similar rehabilitation facility.

The Centre was evaluated by a team from the Canadian Council on Hospital Accreditation and received a Class "A" accreditation; this means that the Centre is recognized as suitable for the training of medical and paramedical personnel in the field of rehabilitation medicine.

Approved Vocational Rehabilitation Services

The Division took initial steps in 1975 to reduce the average caseload of the vocational rehabilitation counsellors, which then was 109. Although additional counsellors and rehabilitation specialists were appointed, because of increasing demand for services the average caseload could not be reduced below 91. At year end, plans were underway to help meet this problem through a group of employment specialists.

During 1977, the Division intensified its recruitment and training programs. By the end of the year, there were 114 rehabilitation counsellors, up from 86 in 1976, and their average caseload dropped to 74. The Division plans to continue this recruitment program; the objective is to achieve a range of between 45 to 75 cases per counsellor.

Three separate training programs for existing staff, and conducted by senior outside professionals, are designed to assist vocational counsellors in developing greater insight into the psychological components of occupational injury.

The Branch provides training programs for workers unable to return to their previous jobs. In 1977, 2,294 workers were enrolled and 1,075 completed their courses. Training expenditures for injured employees increased by 23.47 per cent over the previous year -- to \$5,951,286 from \$4,820,183.

Simplified work methods have been developed for the vocational rehabilitation staff at the Centre to increase their efficiency. As well, the Vocational Rehabilitation Branch achieved an increased success rate. During 1977, 28,934 cases were dealt with. Only 328 were not rehabilitable due to the severity of physical disability, geographical isolation, and similar problems. This impressive record strongly indicates the value of operating a highly developed vocational rehabilitation program.

Improved Guidelines for Occupational Diseases

Among the responsibilities of the Medical Branch is the development of guidelines for medical adjudication.

In 1977, the Ontario Board became the first compensation board in the world to develop comprehensive guidelines for cases of vibration-induced white finger disease. The new guidelines, developed by the Rehabilitation and Claims Services Divisions,

enable the Medical Branch to handle cases from the mining community, especially from uranium mines in Elliot Lake and the nickel mining operations in the Sudbury region. A small number of cases have been reported from non-mining operations, particularly lumbering.

In 1975, 19 cases were accepted; in 1976, 63; and in 1977, 45. These claims were dealt with on an individual basis. The new guidelines will assist the Board in determining whether the victims have any degree of residual permanent disability that warrants consideration of pension.

The Branch also evaluated the criteria for adjudication of lung cancers, mesothelioma of pleura and peritoneum, gastro-intestinal cancers, and sinus cancers. This study is continuing and the guidelines will be modified in cooperation with the Claims Services Division as new data becomes available.

Increase in Medical Claims

The Medical Branch also had an enlarged caseload during 1977:

Medical specialists for eye claims reviewed 2,475 cases in 1977, compared with 1,860 the preceding year--an increase of 33 per cent. Part of this increase was due to a special review of keratitis, a condition affecting the light-conducting qualities of the clear portion of the eye.

Surgical consultants reviewed 51,396 files during 1977--an increase of 28 per cent. They examined 1,116 patients, compared with 961 the preceding year. Because of this increase, a fourth surgical consultant was recruited.

Medical specialists responsible for evaluation of heart and vascular disease claims received 256 claims for consideration, compared with 232 in 1976.

The specialists in industrial hearing loss evaluated 2,681 new claims during the year, compared with 2,463 in 1976--an increase of only 8.85 per cent, while the increase from 1975 to 1976 was 62.2 per cent. This reflects the fact that the backlog of hearing loss cases has been dealt with. Of the new cases in 1977, 1,364 were recommended for permanent disability awards--representing an increase of 27.95 per cent over 1976. Again, the increase is relatively low compared with the 66.82 per cent increase between 1975 and 1976.

During 1977, 50 new cases of cancer were recommended by the Medical Branch for allowance, including 42 cases of lung cancer, one of sinus cancer, four of mesothelioma, and three of the intestinal tract.

The Board's psychiatric consultant reviewed 307 complex cases in 1977. This reflects the new emphasis on the need to evaluate the extent of psychological disability as a factor in the impact of an injury on the individual.

A rehabilitation counsellor assisted the psychiatric consultant by visiting injured workers in their homes. The discussion and identification of problems in the home often contributes to workers' recovery from the psychological effects of an industrial accident.

A special Permanent Disability Committee--made up of the consultant psychiatrist, the consultant in permanent disability evaluation, the director of the Medical Branch, the senior surgical consultant, and senior claims pension personnel-- was

established to evaluate cases in which the patient had not responded to psychological treatment.

As well during the year, 12,818 patients were examined to evaluate levels of permanent disability, a 9.65 per cent increase on the 11,690 patients examined the preceding year.

Special Research Projects

While the Board is not primarily a research agency, it does carry out extensive medical research not addressed by outside agencies. The Board's research projects fall into three categories: traumatology, industrial hearing loss, and occupational disease.

During 1977, the Board completed Phase I of a research program on back disability problems. Approximately one of every four lost-time compensation cases involves back pain disability. An orthopaedic research fellow on the Board's behalf examined 103 cases in which the individual had undergone two or more major operations to the spine. The findings demonstrated that repeat surgery to the spine must be conducted with extreme caution. The results show that for every individual benefiting from repeat surgery, another person is further incapacitated; the vast majority derive no benefit.

Phase II of the research program is now under way. Cases in which an attending surgeon has decided that a second or subsequent major operation to the spine is necessary, are being carefully examined and measurements are being made of both the medical and psychological factors. The comparison of these cases with control groups will help in the development of guidelines for determining the indications for surgery.

In-depth research is also being conducted at the Hospital and Rehabilitation Centre to determine whether pain can be identified and measured. Plans were developed to set up a pain identification and

measurement module (PIMM). This unit will attempt to identify the source, cause, and type of pain, and then to measure pain by mechanical, chemical and psychological evaluation testing. Preliminary results indicate that PIMM will be extremely valuable in facilitating specific treatment programs.

The hospital also made excellent progress in evaluating the use of transcutaneous nerve stimulators, which block pain impulses and permit the individual to function in a relatively normal manner. Since the experiment began a year and a half ago, 212 stimulators have been issued to patients; 50 of them have improved to the point where they no longer require the stimulators.

Plans were laid in 1977 to establish a Back Education Program (BEP) for hospital patients who have completed appropriate assessment and evaluation programs. BEP should help in the adjustment to serious back problems.

Last year, the Division developed a program to study the benefits or disadvantages of replanting severed digits, hands, and limbs. While replantation capability has been heralded as a phenomenal technical advance, the Board feels further evaluation is required to determine whether the usefulness of replanted limbs justifies subjecting the injured worker to such procedures.

The Board also sponsored development of a device to measure normal and abnormal walking characteristics in persons suffering from diseases of the knee. This project should indicate the relationship between organic disease and abnormal types of gait, and their effects on the workers' ability to return to employment.

A new program, implemented in 1977, permits treating physicians to refer patients receiving compensation benefits directly to the physiotherapy department of the Rehabilitation Centre. The results of this treatment demonstrated several interesting facts.

Physiotherapy seems to be worthwhile, but only during a very limited time-frame in the treatment of an injury. If physiotherapy is given promptly and for the correct duration of time, considerable benefits may be expected. But, if treatment is delayed, very little value results.

The Division also conducted research on the usefulness of protective equipment against industrial noise. Certain pieces of protective equipment were shown to be less effective than predicted.

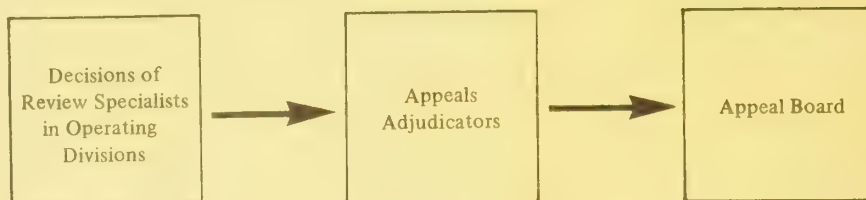
As part of the Board's ongoing study into industrial hearing loss, efforts are now under way to develop simplified audiometric testing facilities. If it is successful, patients will be tested in laboratories throughout the province to determine with accuracy and uniformity the degree of hearing loss sustained.

Continued research into the development of brain-stem audiometry may result in a far more accurate evaluation of hearing loss in difficult cases, thus saving time and money.

The Division continued its investigation of cancer of the larynx or "voice box", to determine whether there is a causal relationship between this type of cancer and environmental hazards such as asbestos fibre dust and particulates, and gases relating to smelting operations in the nickel industry. Preliminary evaluation will be made in 1978.

Studies of chronic bronchitis, lung cancer in foundry workers, and dust and fume exposure were referred to the Occupational Health and Safety Division of the Ministry of Labour for further study.

Appeals Division



The Appeals staff experienced an increased workload in 1977 over that recorded in 1976. The first level of the appeals process dealt with 3,596 cases, an increase of 11.9 per cent over 1976. The second and final level of appeal, the Appeal Boards, received 1,492 cases, an increase of 13.1 per cent on the previous year.

In 1977, 2,254 appeals examiner inquiries/appeals adjudicator hearings were held, compared with 2,093 in 1976--an increase of 7.7 per cent. The Appeal Boards held 1,526 hearings in 1977--an increase of 51.7 per cent.

Procedures Protect Rights

The appeals system has evolved significantly in recent years to cope with the increasing demand for service.

Today, there is a two-level appeals system designed to protect fully the legitimate interests of injured workers. Every decision made by the review specialists may be appealed by either employees or employers.

The appeals system works like this:

The file of a claim under appeal is reviewed by an appeal adjudicator, who has the authority to approve or deny the claim, basing his decision solely on the file information. However, the adjudicator may also decide to hold a hearing on the case, or to refer the claim to an appeal board of three commissioners for a hearing and decision.

Most appeals result in adjudicator hearings. These are held either in the Board's Head Office in Toronto or at a convenient location elsewhere in Ontario. All interested parties and their witnesses may appear at the hearing and give evidence. After the hearing, the appellant can request an adjudicator's hearing to be held first, to ensure that the appeal is thoroughly aired before a final decision is made.

The decision of the appeal board is final, unless the hearing has been conducted improperly, an obvious error has occurred, or new evidence is provided. If this is the case, request for a reconsideration, containing all supporting information, is sent to the registrar of appeals.

Appeals specialists, like claims adjudicators, make every effort to ensure that all information and evidence bearing on the case is presented and examined. They study existing documentation and may telephone or interview anyone in any way connected with the case, arrange medical examinations by outside physicians or Board medical personnel, request an investigation by Board staff, or call on the advice and services of claims counsellors, medical advisors, and rehabilitation counsellors of the Board.

A number of additional features have been incorporated into this system to ensure fairness. For example, employers and employees may be advised by legal counsel or their representatives at appeals adjudicator or appeal board hearings. Interpreter services for both employers and employees

are available at all hearings. For appeal purposes, a summary of information is available to the employer and employee.

The Board also provides travel expenses within Ontario for travel to hearings for employees or their witnesses, including professional witnesses, such as medical doctors. Employees and their witnesses also receive witness fees if their evidence is heard.

Services Increased and Streamlined

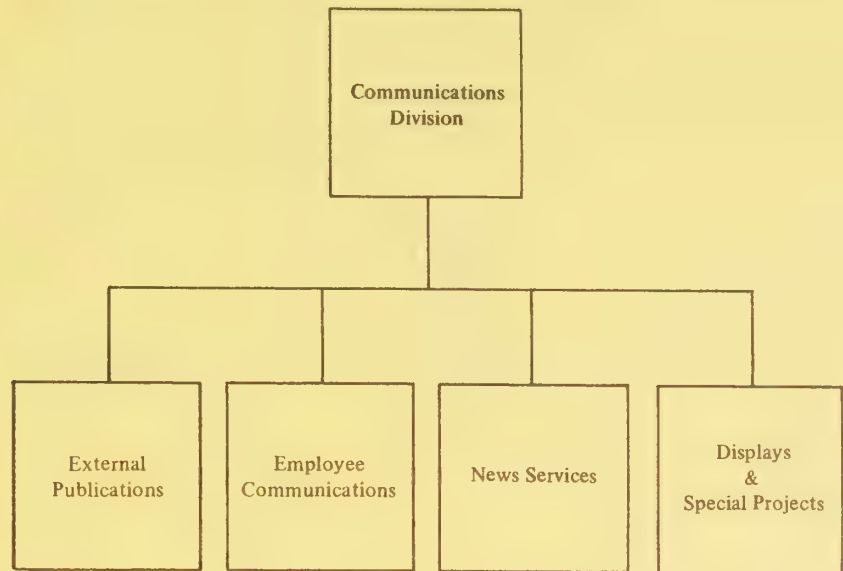
Major procedural changes were implemented and a number of additional positions were created in 1977 to streamline the appeals process and to ensure an added measure of fairness for injured employees.

A significant improvement to the appeals process occurred in November when appeals examiners became appeals adjudicators with the authority to render decisions.

The new procedure has already resulted in considerable savings in time and paperwork. More important, the system is now more equitable for the injured employee and the quality of decision making is improved because the person who hears the evidence also adjudicates.

An additional commissioner was appointed, bringing the total number of commissioners hearing appeals to 13. New staff positions created in 1977, including a supervisor of appeals adjudicators and a supervisor of appeals administrators, were created to help deal with a substantial backlog, together with an ever increasing workload.

Communications Division



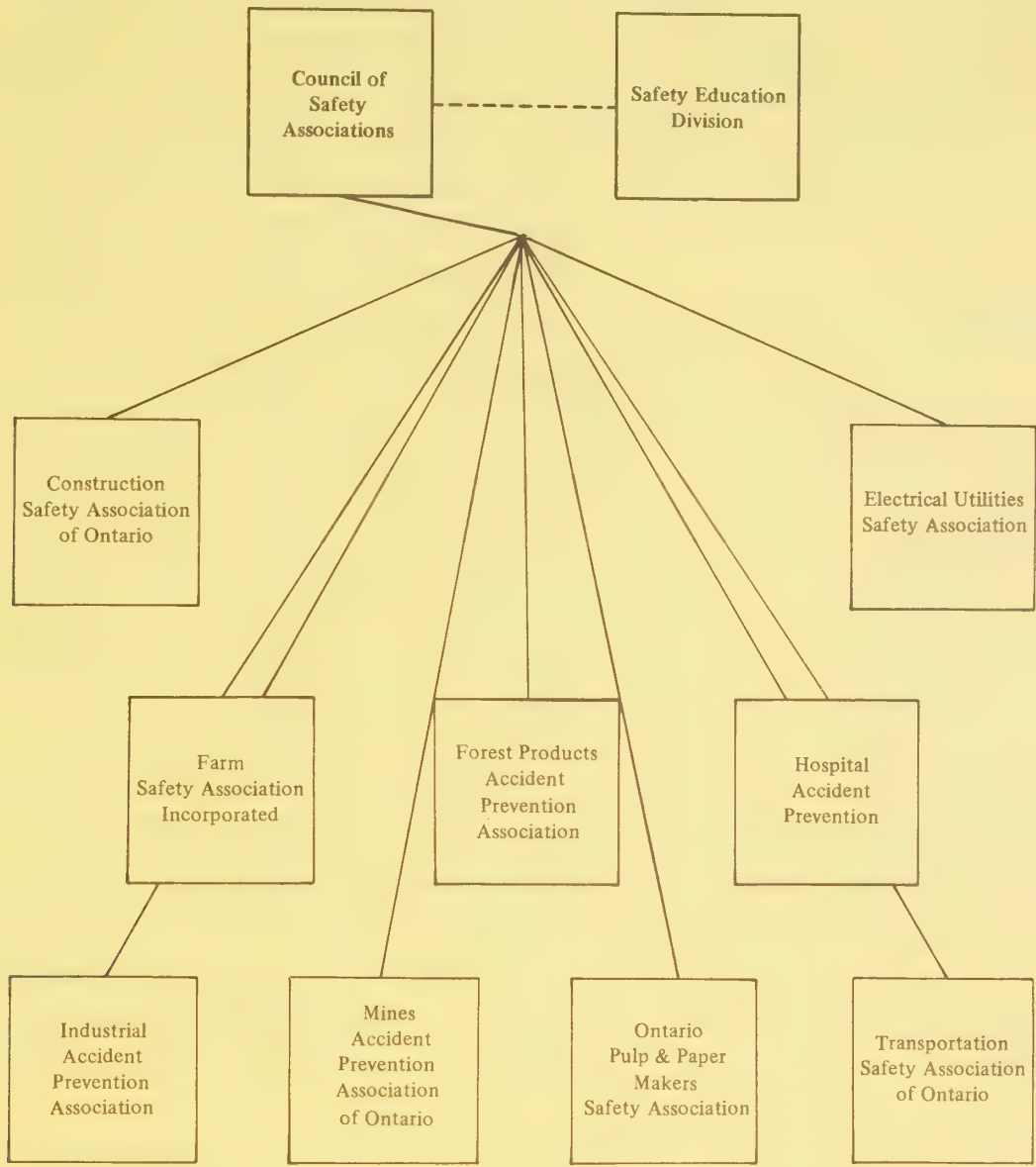
In June 1977, the Board's Public Affairs Division was divided into two divisions: Safety Education and Communications. This split resulted from a growing awareness that the two functions were quite distinct and required the development of independent programs.

Realizing that the public view of the Board was not all it should be--or deserved to be--the Corporate Board gave the new Communications Division a mandate to develop a greatly augmented program. A survey of public and news media awareness of the Workmen's Compensation Board's programs and policies confirmed the impression that many of those affected by the Ontario compensation system had an inadequate understanding of it. The analysis of the survey results led to a detailed study of the identified communications needs of the Board and therefore to an overall information program for the WCB. By the end of the year the program was ready to be implemented.

The thrust of the new program comes from a recognition that the Board's ability to serve injured workers, employers, and others is largely dependent on the ready cooperation of various segments of the public--including the medical and political

communities and the media. One of the chief problems being addressed is the difficulty of explaining a highly complex and sophisticated operation in terms that are simple and easy to understand. The Board must always be ready to respond quickly and clearly to questions, comments and criticisms from whatever source. To this end, special attention was given to publications, news media relations, audio-visual presentations, and to special projects.

Safety Education Division



The Workmen's Compensation Board has a major interest in safety education. While the accident prevention associations provide specialized programs for their respective member industries, the Board established a Safety Education Division that provides information, advice, literature, and program assistance on a more general basis.

Council of Safety Associations

The Board has a close relationship with the nine Safety Associations through the Council of Safety Associations, chaired by the Executive Director of

the Safety Education Division. The Council, formed in 1974, comprises representatives from the nine Safety Associations.

The Council co-ordinates the activities of the Safety Associations, and ensures effective communication and working relationships between the Associations and the Workmen's Compensation Board. In addition to serving as a clearing house for ideas and information, the Council encourages and develops programs to promote accident prevention in industry. It also supports seminars, conferences, and similar activities to encourage co-operation among the Associations themselves and with the Board.

In 1977 the Council submitted to the Ministry of Colleges and Universities a brief recommending the inclusion of first aid training in certain courses in universities and colleges; participated in a Calvalcade of Safety held in Kitchener in September; and organized a two-day conference in the Kitchener/Waterloo area on alcohol and drug abuse in the workplace.

The total cost of the nine Safety Associations--\$11,897,000 in 1977--comes from the Accident Fund of the Workmen's Compensation Board.

Industrial First Aid Training

The Safety Education Division administers the first aid regulations and provides for extensive training of Schedule I employees by St. John Ambulance to meet the requirements of these regulations. The philosophy underlying the Division is that vigorous safety programs together with extensive training in first aid can substantially reduce the frequency of accidents and consequently diminish the demand for compensation.

Since January 1, 1966, the Board has paid the full cost of this first aid training for Schedule I employers. In 1977, 58 employees were trained in the Emergency first aid course and 18,606 in the

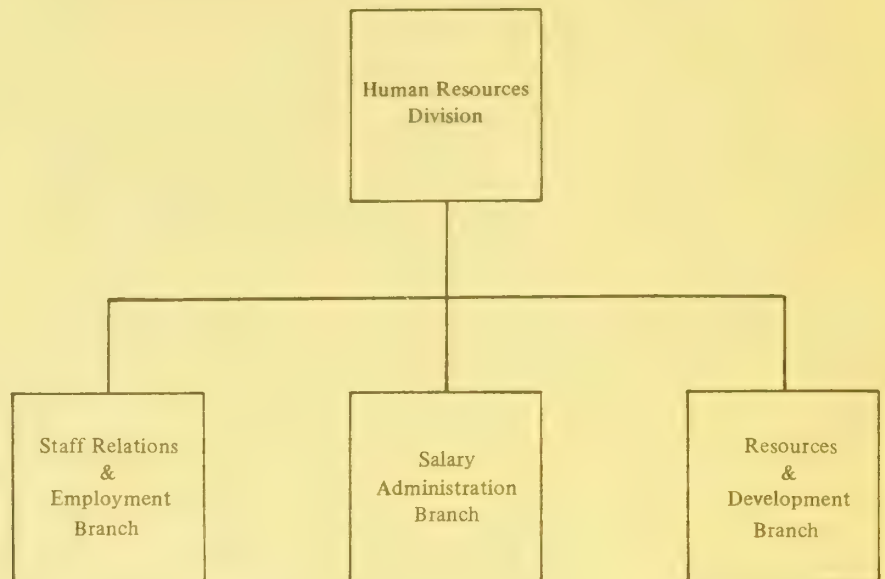
Standard first aid course. This program included employees of 848 firms in which four or more employees were trained and a similar number of firms in which fewer than four employees were trained. The formula used in determining the number of employees is two per shift per first aid station.

Project LIFE

The cost to the Board of Project LIFE (Learn Industrial First Aid Effectively) in 1977 was \$77,122.39. The Board underwrites the administrative costs, including salaries, employee benefits, travel, and training aids. The companies involved in the program pay the first aid training fees for their employees. Project LIFE commenced training in industries in the Mississauga, Oakville, Burlington, East Hamilton area in January 1975.

In late 1976, Brampton-Bramalea and Malton were added. The program was introduced in Metro Toronto in June 1977. Participating firms report significant reduction in accidents.

Human Resources Division



The Human Resources Division serves over 2,400 employees of the Board and the Safety Associations. To do this more effectively, key areas were strengthened in 1977 through reorganization.

In response to demands for greater regional representation, additional clerical staff and counsellors were hired from the local communities. Head Office recruitment personnel visited area offices to assist in this endeavour.

More than 3,000 Board-wide job interviews were held during 1977, including interviews connected with some 300 internal postings.

The Salary Administration Branch, in order to improve its service to the Board, is developing a centralized, automated system of employee information.

The Resources and Development Branch offered a number of courses to Board staff throughout the year, to meet both professional and personal needs.

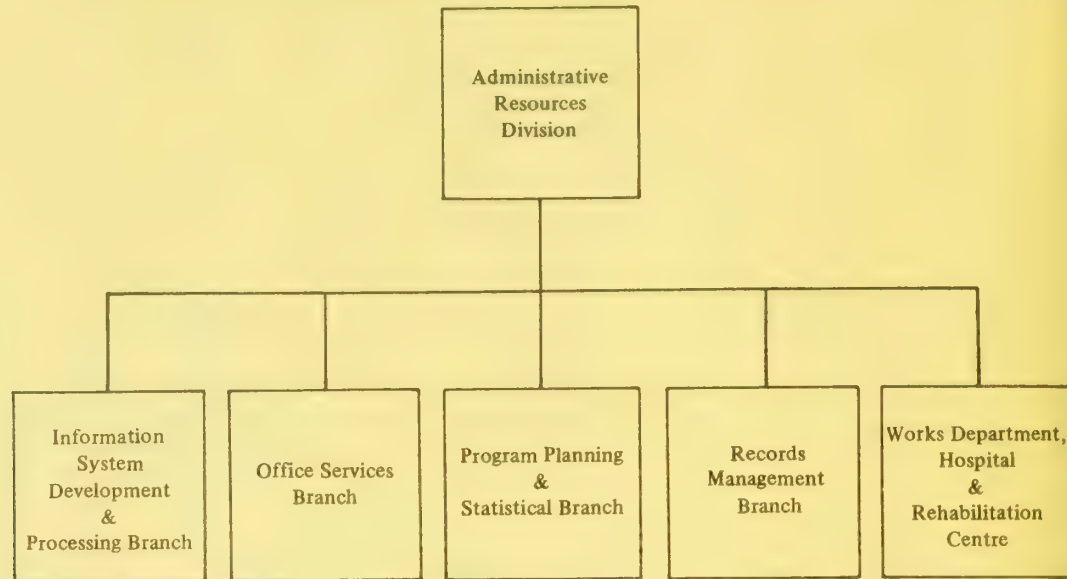
Almost 700 staff members attended special skills programs focussing on interviewing skills, letter and report writing, telephone techniques and effective listening. The Branch also offered programs on personal development and staff relations, and organized educational luncheons attended by 1,245 employees.

The Resources and Development Branch continued to encourage participation of Board staff in external courses. Of the 153 employees enrolled in the tuition assistance program, 55 attended business and degree programs in 1977. Arrangements were made for 47 staff members to attend Civil Service Commission courses and for 40 others to attend French-language training programs throughout the province.

It is worth noting that more than 300 staff members are bilingual or multilingual. The Board is capable of providing service to injured workers in 35 languages.

There are also 87 handicapped employees on staff.

Administrative Resources Division



The Administrative Resources Division provides support services for the other Board divisions, including systems development and data processing, records management, office services, and statistical services.

Implementation of Information Systems

In 1977, the Division moved ahead with its systems development program initiated in 1974. The program involves the redevelopment of all of the Board's computer-based information systems in order to provide improved services and handle the ever-increasing workload.

During 1977, the initial phases of the financial systems were implemented. Accounts payable, general ledger, cheque writing, and parts of accounts receivable were all converted to the new system.

The Division has completed a major report on systems planning, covering the computer hardware and software needs of the Board until 1982. The organizational needs of the Information Systems Development and Planning Branch were reviewed to determine the needs of the future. Computer link-ups were established with three information service offices in 1977, and visual display units and hard-copy printers

were installed in each of the new offices. The area offices now have immediate access to the same level of computer information available at Head Office.

Records Management Branch

Custody, security, routing, location, and delivery of all claim files, as well as document distribution are all responsibilities of the Records Control staff. During 1977 the Specialized Claims Search Program for telephone inquiries handled 109,436 claim file requests, a high proportion of them within 24 hours. As well, 80 per cent of all claim files requested for in-person inquiries were located within 15 minutes.

Statistical Services

The Program Planning and Statistical Services Branch is responsible for providing statistical information for both the Board and external agencies. During 1977, the Branch was involved in a number of major statistical programs.

The Branch spearheaded the Board's effort to meet the accident report requirements of the Employee's Health and Safety Act, which requires that, on the request of a union or employee, a report be produced summarizing a firm's accident experience.

The Branch participated with Statistics Canada on a national statistics program on work injuries, and on statistical programs for international agencies. The Safety Associations' statistical activities were supported through the publication of 25 regular monthly reports on lost-time accidents.

Source information files on industrial accidents were provided to the Ministry of Labour to assist in its education, enforcement, and prevention responsibilities.

A number of special studies undertaken in 1977 included an evaluation of the service level provided by both the Board and the Post Office in distributing and delivering compensation cheques. Return-on-

investment studies were conducted to assist in deciding whether to purchase or lease selected capital equipment.

Office Services

The Office Services Branch began a review of mechanical applications for improving the handling of incoming mail. In 1977, the Board received 4,218,000 pieces of mail and processed 5,177,000 pieces of outgoing mail, including 1,228,900 compensation and pension cheques.

Studies were conducted at Head Office, the area offices, and the Hospital and Rehabilitation Centre in order to improve telephone service.

A program of energy conservation was implemented, with a resultant saving of 2,750,000 kW.h of hydro power. In the area of transportation, the Board instituted a policy of replacing full-size cars with compact vehicles.

Positive Action for Women

The Women's Advisor, who reports to the vice-chairman of administration, develops and co-ordinates programs to enhance opportunities for women and to ensure fair and equal treatment of all Board employees. Priorities set in 1977 included:

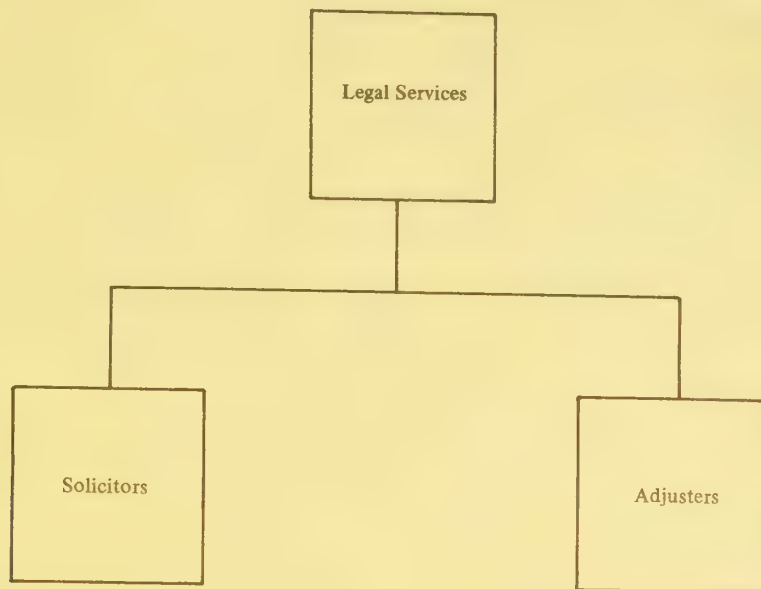
providing an environment for developing a better understanding of requirements for advancement and career development;

ensuring equal opportunities to acquire skills and knowledge necessary to compete for senior positions; and

increasing managers' awareness of the aspirations and abilities of women employees.

Activities organized to meet these priorities, included career development workshops, which were attended by more than 200 women. At 15 "Let's Discuss It" sessions, different aspects of the Board and career opportunities were discussed.

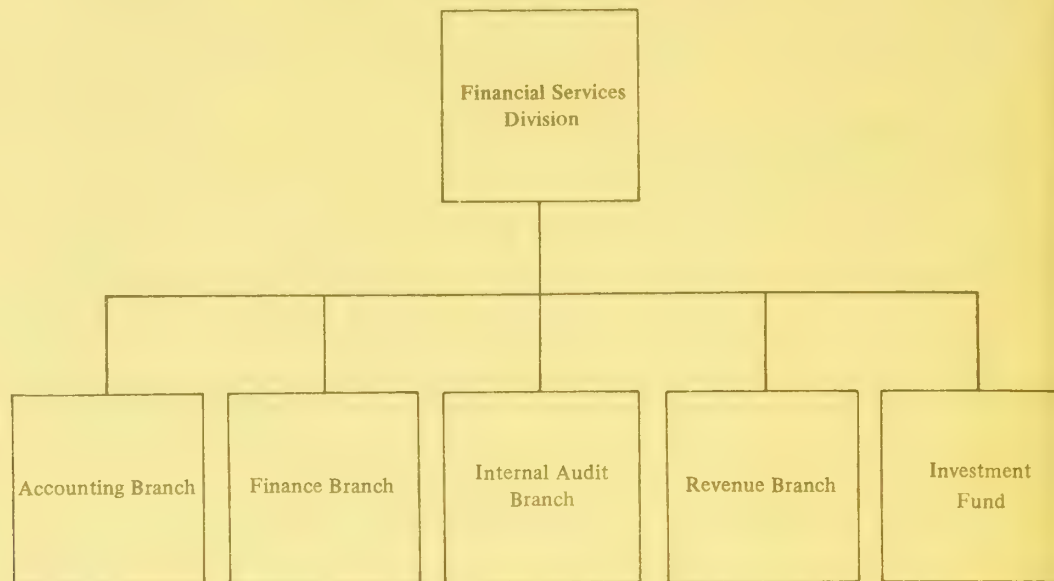
Legal Services Division



The Legal Services Division advises the Board and operating management on legal matters. It is responsible for drafting legislation and regulations, and performing the function of appeals administrator for hearings under Section 15 of the Act.

The Division engages in litigation on behalf of the Board, including claims where injured workers choose to transfer their right of action against negligent third parties (under Section 8 of the Act) to the Board. During the year, 377 such litigation files were opened. Settlements in 209 cases were obtained, representing \$1,178,543.34 in damages. Because this recovery exceeded the Board's costs, a surplus of \$432,917.20 was paid to the injured workers concerned in addition to their compensation benefits.

Financial Services Division



Investments

The Accident Fund Investments, valued on the basis of amortized cost, totalled \$1,007,400,000 at the end of 1977. This amount includes long-term bonds and mortgages of \$788.1 million and \$219.3 million of short-term securities required to cover the Board's cash flow needs, including mortgage commitments until May 1978, when the next year's assessment revenue commences.

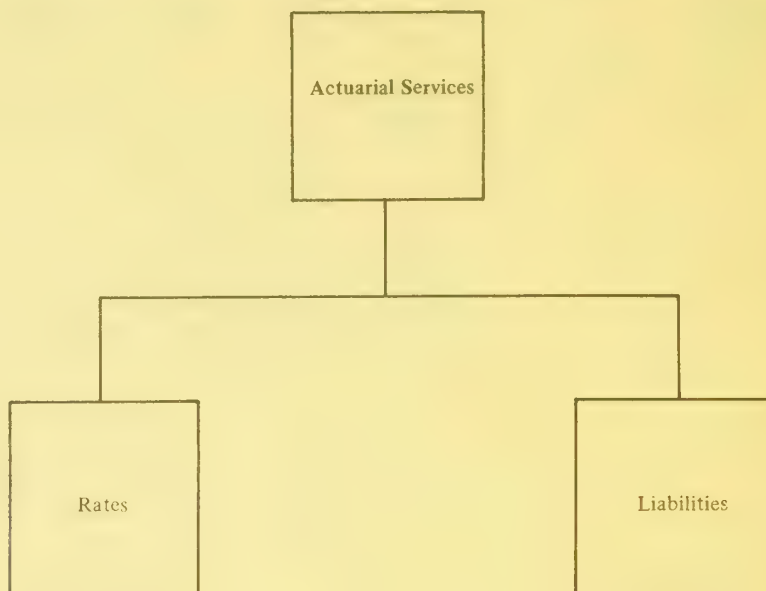
Income on these investments in the year was \$75.7 million, compared with \$62.3 million in 1976. The running yield on the long-term investments as of December 31, 1977, was 8.85 per cent compared with 8.27 per cent as of December 31, 1976 and 7.53 per cent as of December 31, 1975. This increase is due to higher than average historical interest rates during the year, and a continuation of the policy of trading selected securities to improve the yield on the portfolio in the future. These trading activities in 1977 involved a recorded loss of \$5.8 million, compared to \$4.9 million in 1976. Generally accepted accounting principles require that these losses be recognized in the year; however, as a result of the trading, they will be more than offset by improved yields in future years.

Employers and Assessed Payroll

The number of employers reporting to the Board increased in 1977 from 145,000 to 150,000. In 1977, 18,252 new accounts were opened and 13,000 accounts were closed.

The payroll covered in 1977 is estimated at \$27.1 billion, up from \$25.2 billion in 1976. Assessments for 1977 totalled \$525 million, compared with \$452 million in 1976.

Actuarial Services



The present value of the Board's future obligations to existing Schedule I claimants was estimated to exceed the existing Schedule I Accident Fund assets by between \$170 million and \$570 million at the end of 1977. This results from the fact that, with the assets valued at \$1.13 billion, the future obligations were estimated to lie between \$1.3 billion and \$1.7 billion.

Since the excess of obligations over assets was estimated to lie between \$300 million and \$750 million at the end of 1976, there has been an improvement in the financial condition of the Schedule I Accident Fund. This improvement can be attributed to:

- an increase in assessment revenue in 1977 due to increases in both assessable payrolls and assessment rates;

- lower than expected increase in the amount of benefits awarded in 1977; and

- an increase in the expected future earnings capacity of the Schedule I Accident Fund.

The above-noted improvement in the financial condition of the Schedule I Accident Fund is expected to continue throughout 1978.

Financial Statements and Report on the Audit Year ended December 31, 1977

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Office of the
Provincial
Auditor

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Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2

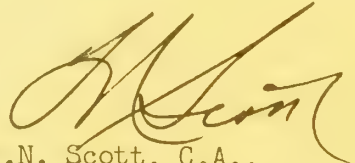
To the Workmen's Compensation Board and
to the Minister of Labour.

Under my direction, the statement of financial position - Schedule 1 Accident Fund and Schedule 2 of Workmen's Compensation Board as at December 31, 1977 and the statement of income and unfunded liability - Schedule 1 Accident Fund for the year then ended have been examined. The examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as were considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1977 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario,
May 1, 1978.


F.N. Scott, C.A.,
Provincial Auditor.

Actuary's Report

CONSULTING ACTUARY'S REPORT ON
THE VALUATION OF THE ACTUARIAL LIABILITIES
OF THE SCHEDULE I ACCIDENT FUND OF THE
WORKMEN'S COMPENSATION BOARD OF ONTARIO
AS AT DECEMBER 31, 1977

The estimated present value of future compensation, pension payments and medical aid under Schedule I on account of accidents that occurred on or before December 31, 1977 in the amount of \$1,500,000,000 has been computed by the Board's Staff Actuary in accordance with methods and assumptions approved by us. We believe that the assumptions made are appropriate for this valuation and the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for our purposes and consistent with the Board's financial statements.

In calculating the present value, no provision was made for potential future legislated amendments to The Workmen's Compensation Act. The methods and assumptions employed are similar to those employed in the valuation as of December 31, 1976 except that in the current valuation, specific allowance was made for the effect of the earnings ceiling and minimum benefit provisions on future compensation payments and provision was made for investment risk.

In our opinion, which includes the foregoing comments, the amount of \$1,500,000,000 as at December 31, 1977 makes reasonable provision for future compensation, pension payments and medical aid under Schedule I on account of accidents that occurred on or before December 31, 1977.



Samuel Eckler, F.S.A., F.C.I.A.



David A. Short, F.S.A., F.C.I.A.

May 1, 1978.

Actuaries with the firm of Eckler,
Brown, Segal & Company Ltd.

Workmen's Compensation Board

Statement of Financial Position

STATEMENT OF FINANCIAL POSITION

SCHEDULE 1 ACCIDENT FUND AND SCHEDULE 2

DECEMBER 31, 1977

	\$000's	
	1 9 7 7	1 9 7 6
<u>Assets</u>		
Cash	\$ 209	\$ 4,551
Short term investments	219,321	136,326
Assets held for Schedule 2 employers	5,876	5,775
Investments, not in excess of amortized cost	788,114	660,533
Accrued investment income	16,926	19,951
Assessments and other receivables	99,170	72,128
Prepaid administration expense	137	77
Land, buildings and equipment	14,305	14,168
Total assets	\$1,144,058	\$ 913,509
<u>Liabilities</u>		
Accounts payable and accrued charges	\$ 12,042	\$ 11,288
Net deposits by Schedule 2 employers	5,876	5,775
Estimated present value of future payments to existing claimants	1,500,000	1,400,000
Total liabilities	\$1,517,918	\$1,417,063
(Unfunded liability) - Page 4	(\$ 373,860)	(\$ 503,554)

See accompanying notes.

On Behalf of the Board

Michael Stair

Chairman

Andrew

Vice Chairman of Administration

Workmen's Compensation Board

Statement of Income & Unfunded Liability

STATEMENT OF INCOME AND UNFUNDED LIABILITY

SCHEDULE 1 ACCIDENT FUND

YEAR ENDED DECEMBER 31, 1977

	\$000's	
	1 9 7 7	1 9 7 6
Income		
Assessments and penalties		
(net of uncollectible assessments 1977 - \$4,000; 1976 - \$4,876)	\$524,697	\$452,485
Investment income	75,713	62,250
Total income	\$600,410	\$514,735
Expenses		
Benefits - Page 7	\$412,483	\$451,270
Accident prevention - Page 8	11,897	10,997
Administration - Page 9	33,527	27,437
Medical and rehabilitation services	6,628	5,261
Mine rescue	396	364
Restructuring investment portfolio (Note 4)	5,785	4,942
Total expenses	\$470,716	\$500,271
Excess of income over expenses for the year	\$129,694	\$ 14,464
(Unfunded liability), beginning of year	(503,554)	(518,018)
(Unfunded liability), end of year	(\$373,860)	(\$503,554)

See accompanying notes.

Notes to Financial Statements

WORKMEN'S COMPENSATION BOARD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1977

1. Accounting policies

(a) Investments purchased for a premium or discount are amortized on a yield basis.

(b) Fixed assets are recorded at cost and depreciated on a straight line basis at the following rates:

Buildings	2½%
Equipment	20%
Motor vehicles	25%
Leasehold improvements	10%

(c) Assessment income is determined on the basis of provisional payrolls reported by employers; at year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of the actual payrolls being greater than provisional.

(d) The Board has established assessment policies which are deemed to be sufficient to finance an unfunded liability which has been determined to exist as a result of making the provision for the estimated present value of future payments referred to in (e).

(e) The estimated value of future payments to existing claimants is determined annually on the basis of actuarial valuations.

2. Reclassification

Certain of the 1976 comparative figures have been reclassified in order to conform with the current year's financial statement presentation.

3. Supplementary financial position information

Investment portfolio

	\$000's			
	1 9 7 7		1 9 7 6	
Schedule 1 Accident Fund	Book value	Market value	Book value	Market value
Bonds	\$ 657,081	\$625,344	\$594,708	\$562,193
Mortgages	131,033	131,033	65,825	65,825
	\$ 788,114	\$756,377	\$660,533	\$628,018
Short term	219,321	219,321	136,326	136,326
	\$1,007,435	\$975,698	\$796,859	\$764,344

3. Supplementary financial position information (Cont'd)
Land, buildings and equipment

	\$000's			
	1 9 7 7		1 9 7 6	
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 6,754		\$ 6,754	\$ 6,754
Buildings and road	7,890	\$ 3,451	4,439	4,425
Leasehold improvements	1,088	310	778	782
Equipment	5,738	3,773	1,965	1,868
Board cars	667	298	369	339
	<u>\$22,137</u>	<u>\$ 7,832</u>	<u>\$ 14,305</u>	<u>\$ 14,168</u>

4. Investments

During the year the Board determined it desirable to continue to restructure its investment portfolio, in order to increase the effective yield on its investments, by selling certain investments and using the funds to purchase investments with a higher effective yield. A loss of \$5,785,000 (1976 - \$4,942,000) was recorded on the sale of the investments. There was a gain of \$1,000 on Schedule 2 investments. The benefits of this restructuring will be spread over the life of the purchased investments in the form of higher investment income.

5. Anti-inflation guidelines

Pursuant to the terms of the enabling Act of the Ontario Legislature, the Board is subject to Part IV of the guidelines issued under the Federal Anti-inflation Act. Accordingly salaries and wages paid by the Board are subject to restraint under the Federal program.

The Board is in full compliance with the anti-inflation guidelines from the date of inception of the program to December 31, 1977.

6. Commitment to Board's Superannuation Fund

The triennial review of the Superannuation Fund, as required at January 1, 1977 under The Pension Benefits Act, Ontario has been deferred to January 1, 1978 with the approval of the Ontario Pension Commission. Pending the submission of that review, the Board has suspended for 1977, the annual supplementary contribution of \$1,500,000 as previously recommended.

Schedule 2 Assets and Changes in Net Deposits

SCHEDULE 2 ASSETS AND CHANGES IN NET DEPOSITS

DECEMBER 31, 1977

	\$000's	
	1 9 7 7	1 9 7 6
<u>Assets</u>		
Cash (deficiency)	(\$ 685)	\$ 422
Investments - not in excess of amortized cost	6,241	5,063
Accrued interest	120	67
Accounts receivable	22	
Deferred charges	178	223
Total assets	\$ 5,876	\$ 5,775
<u>Changes in net deposits</u>		
Reimbursements from employers	\$ 27,476	\$ 28,675
Income from investments	459	448
Amortization of prior year's investment loss	(51)	(47)
Current year investment gains less losses	1	3
	\$ 27,885	\$ 29,079
<u>Deduct</u>		
Benefits to workmen - Compensation	\$ 12,160	\$ 11,833
- Medical aid	5,660	5,526
- Pensions paid	9,699	9,071
- Rehabilitation	265	280
	\$ 27,784	\$ 26,710
Increase in deposits during year	\$ 101	\$ 2,369
Net deposits, beginning of year	5,775	3,406
Net deposits, end of year	\$ 5,876	\$ 5,775

Workmen's Compensation Board

Schedule 1 Accident Fund

SCHEDULE 1 ACCIDENT FUND - BENEFIT EXPENSES

YEAR ENDED DECEMBER 31, 1977

	\$000's	
	1 9 7 7	1 9 7 6
Payments during the year		
Compensation	\$ 182,261	\$ 179,321
Medical aid	50,140	50,795
Rehabilitation	4,889	4,156
Pensions	75,939	67,640
	\$ 313,229	\$ 301,912
<u>Less: Recovered from third parties</u>	<u>(746)</u>	<u>(642)</u>
	\$ 312,483	\$ 301,270
Provision for increase in estimated present value of future payments to existing claimants	<u>100,000</u>	<u>150,000</u>
Total benefit expenses	<u>\$ 412,483</u>	<u>\$ 451,270</u>

The estimated present value of future payments
to existing claimants has changed during the year as follows:

Beginning of year	\$1,400,000	\$1,250,000
Provision for increase (as above)	<u>100,000</u>	<u>150,000</u>
End of year	<u>\$1,500,000</u>	<u>\$1,400,000</u>

Workmen's Compensation Board

Schedule 1 Accident Fund

SCHEDULE 1 ACCIDENT FUND

ACCIDENT PREVENTION EXPENSE BY CATEGORY AND SAFETY ASSOCIATION

YEAR ENDED DECEMBER 31, 1977

	\$000's	
	1 9 7 7	1 9 7 6
<u>By Category</u>		
Salaries and employees' benefits	\$ 7,045	\$ 6,598
Stationery and supplies	203	227
Occupancy costs	556	409
Equipment maintenance and rental	53	43
Travel expenses	1,057	940
Communications, advertising and information	2,556	2,391
Depreciation of equipment and furniture	55	62
Insurance and security services	19	14
Miscellaneous	353	313
	<u>\$ 11,897</u>	<u>\$ 10,997</u>
<u>By Safety Association</u>		
Construction Safety Association of Ontario	\$ 4,411	\$ 4,095
Electrical Utilities Safety Association of Ontario	547	516
Forest Products Accident Prevention Association	626	664
Farm Safety Association, Inc.	349	294
Hospital Accident Prevention	275	226
Industrial Accident Prevention Association	4,175	3,727
Mines Accident Prevention Association of Ontario	599	594
Ontario Pulp & Paper Makers Safety Association	234	208
Transportation Safety Association of Ontario	681	673
	<u>\$ 11,897</u>	<u>\$ 10,997</u>

Workmen's Compensation Board

Schedule 1 Accident Fund

SCHEDULE 1 ACCIDENT FUND

ADMINISTRATION EXPENSES

YEAR ENDED DECEMBER 31, 1977

	\$000's	
	1 9 7 7	1 9 7 6
Salaries and employees' benefits	\$ 31,458	\$ 27,052
Travel and vehicle maintenance	882	646
Stationery and office supplies	798	651
Other supplies and expenses	153	128
Equipment rental and maintenance	4,469	2,480
Communications and publications	2,031	1,434
Occupancy costs (net of \$543 rental income each year)	2,132	1,910
Credit reports and legal expenses	347	219
Professional fees and services	244	87
Insurance and security services	151	136
Depreciation of equipment	517	459
Chest examining station costs	353	352
Miscellaneous	734	1,173
	<u>\$ 44,269</u>	<u>\$ 36,727</u>
Less: Administration expenses charged to:		
Construction Safety Assessment		(\$ 69)
Hospital and Rehabilitation Centre	\$ 100	100
Medical and Rehabilitation Services	6,628	5,261
Schedule 2	4,014	3,998
	<u>\$ 10,742</u>	<u>\$ 9,290</u>
Net charged to statement of income and unfunded liability Schedule 1 Accident Fund	<u>\$ 33,527</u>	<u>\$ 27,437</u>

Workmen's Compensation Board

Schedule 1 Accident Fund

SCHEDULE 1 ACCIDENT FUND

HOSPITAL AND REHABILITATION CENTRE EXPENSES

YEAR ENDED DECEMBER 31, 1977

	\$000's	
	1 9 7 7	1 9 7 6
Salaries and employees' benefits	\$ 6,453	\$ 5,654
Stationery and office supplies	35	55
Supplies	334	325
Occupancy costs	578	494
Equipment maintenance and rental	70	40
Travel expenses	21	24
Communications	76	70
Cafeteria	651	587
Depreciation of equipment and furniture	100	119
Insurance and security services	244	213
Miscellaneous	(45)	(52)
Administration expense charge	100	100
Total expenses*	\$ 8,617	\$ 7,629

*These expenses are part of the total benefit expenses shown on the statement of income and unfunded liability.

Financial Statements and Report on the Audit Year ended December 31, 1977

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Workmen's Compensation Board
Superannuation Fund

Statement of Transactions and Fund Balance

STATEMENT OF TRANSACTIONS AND FUND BALANCE

YEAR ENDED DECEMBER 31, 1977

	<u>\$000's</u>	
	<u>1 9 7 7</u>	<u>1 9 7 6</u>
		(Note 2)
Contributions received:		
From the Board, the Safety Association and their staffs	\$ 5,222	\$ 5,931
Income from investments	<u>4,276</u>	<u>3,475</u>
	<u>\$ 9,498</u>	<u>\$ 9,406</u>
<u>Deduct</u>		
Pensions paid	\$ 1,589	\$ 1,151
Contributions refunded to staff	<u>237</u>	<u>263</u>
	<u>\$ 1,826</u>	<u>\$ 1,414</u>
Increase in the fund for the year	\$ 7,672	\$ 7,992
Fund balance, beginning of year	<u>56,740</u>	<u>48,748</u>
Fund balance, end of year	<u>\$ 64,412</u>	<u>\$ 56,740</u>

See accompanying notes.

Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1977

1. Accounting policy

Investments purchased for a premium or discount are amortized on a yield basis.

2. Reclassification

Certain of the 1976 comparative figures have been reclassified in order to conform with the current year's financial statement presentation.

3. Actuarial valuation

The triennial review of the Superannuation Fund, as required at January 1, 1977 under The Pension Benefits Act, Ontario has been deferred to January 1, 1978 with the approval of the Ontario Pension Commission. Pending the submission of that review, the Board has suspended for 1977, the annual supplementary contribution of \$1,500,000 as previously recommended.



**Workmen's
Compensation Board**

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Annual Report 1978





**Workmen's
Compensation Board**

Annual Report 1978

The Honourable Pauline M. McGibbon
Lieutenant Governor of Ontario

The Workmen's Compensation Board
is pleased to submit its annual report
of operations for 1978.

Michael Starr
Chairman



Workmen's
Compensation
Board

2 Bloor Street East
Toronto, Ontario
M4W 3C3

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**Workmen's Compensation Board
Summary of Operations
Year Ended December 31, 1978**

	1978	(\$000's)	1977
Payroll upon which assessment revenue was based	*\$27,500,000		*\$27,100,000
Incidents reported as work injuries	424,609		423,767
Schedule I of the Act			
Schedule I benefits paid and awarded			
Medical Aid paid	59,198		50,098
Compensation paid	184,338		182,137
Rehabilitation paid	5,679		4,889
Pensions awarded	89,652		97,640
	\$ 338,867	\$	334,764
Silicosis Benefits			
Medical Aid paid	43		42
Compensation paid	59		124
Rehabilitation paid	—		—
Pensions awarded	983		1,201
	\$ 1,085	\$	1,367
Total	339,952		336,131
Legislated increases			
Pensions	270,000		—
	270,000		—
Total payments and awards under Schedule I of the Act	\$ 609,952	\$	336,131
Schedule II of the Workmen's Compensation Act and Federal Government Employees Compensation Act			
Schedule II benefits paid			
Medical Aid paid	6,416		5,660
Compensation paid	11,915		12,160
Rehabilitation paid	295		265
Pensions paid	14,255		9,699
	32,881		27,784
Compensation paid directly by Schedule II employers	9,374		8,464
Total benefits paid under Schedule II	\$ 42,255	\$	36,248
Awards and Payments (exclusive of legislated increase above)	\$ 382,207	\$	372,379
Legislated increases	\$ 270,000	\$	—
Awards, payments and legislated increases	\$ 652,207	\$	372,379

* Estimated adjusted payroll.

Organizational Chart
of the Workmen's
Compensation Board



The Corporate Board

Major changes in legislation and in the organizational structure of the WCB highlighted the activities of the Corporate Board in 1978.

The Corporate Board — usually referred to as such to distinguish it from the Workmen's Compensation Board as a whole — consists of the Chairman, who is the WCB's chief executive officer; the Vice Chairman of Administration, who is the chief administrative officer; the Vice Chairman of Appeals; and the four Commissioners of Appeals.

During the early months of the year, the Corporate Board developed recommendations for changes in the Workmen's Compensation Act to provide increases in the benefits paid to injured workers and their dependants. In this task the Corporate Board was assisted by the Joint Consultative Committee, a permanent body appointed by the Lieutenant Governor in Council and comprising representatives of the WCB, labour, industry, and the public. (Highlights of the new legislation, which became effective on July 1, 1978, appear with the report on the Claims Services Division.)

In a major organizational change, the Corporate Board split the Rehabilitation Services Division into two divisions — Vocational Rehabilitation and Medical Services — to meet the need for more extensive and decentralized rehabilitation services, and to respond to escalating demands for those services.

Responding to requests from industries concerned about their cash flow, the Corporate Board changed its policy on the payment of assessments by employers. The WCB now accepts quarterly payments from employers whose assessments amount to \$500 or more per year, rather than requiring the entire amount in a single annual payment.

Such responses reflect the fact that Corporate Board members, collectively and individually, keep closely in touch with representatives of industry, labour, the professions, members and committees of the Legislature, and other interested groups and individuals. With their concerns in mind, the Board constantly re-examines the organization's policies and practices in regard to such issues as compensation payments, adjudication principles and employer classifications, especially in relation to new trends in compensation philosophy and practices. The Corporate Board held twenty-six formal meetings in 1978.

The Board's Management Committee, consisting of the Executive Directors and headed by the Vice Chairman of Administration, met formally on thirty occasions and informally as necessary for special tasks. This committee reviewed and developed recommendations and plans for administrative and financial systems, policies and procedures, and presented these to the Corporate Board for approval.

As well as assisting the Corporate Board in the preparation of recommendations for legislative amendments, the Joint Consultative Committee helped the Board plan changes in the systems of classifying and rating employers and in the assessment process, and also took part in reviewing other policies and administrative practices.

The Appeals System

The reorganization of the Appeals system, begun in 1977 and completed in 1978, resulted in speedier resolution of appeals while preserving flexibility and responsiveness to the needs of each individual situation.

Since November 1977, a streamlining of the appeals process has enabled appeals adjudicators to decide on appeals without the necessity of making recommendations to a commissioner.

In the new system, a matter that is under appeal is reviewed by the appeals adjudicator, who may deal with it in one of three ways: decide on the appeal, basing the decision entirely on the already available information; hold a hearing on the matter before making a decision; or refer the claim to an appeal board of three commissioners, who then hold a hearing and make a decision. If any of the parties object to the direct referral to an appeal board, the case is returned to an appeals adjudicator for a hearing and decision.

The system provides the speed of a one-step process for those cases referred directly to an appeal board.

In 1978, adjudicators allowed 158 appeals without hearings and sent another 901 cases directly on to the appeal boards.

A dramatic reduction in the scheduling time of appeals adjudicator hearings was achieved through the addition to staff of two appeals supervisors and four appeals adjudicators. By the end of 1978 the time required to arrange a hearing by an appeals adjudicator in Toronto was reduced from three months to one month. The average time from the end of an appeals adjudicator hearing until the

rendering of a decision (a time during which the appeals adjudicator must often obtain additional information) was reduced by one week to slightly less than 27 calendar days.

These new efficiencies were achieved in spite of a workload of 2,705 cases — about 20 percent more than in 1977.

While appeals adjudicators continued to travel to hold hearings in seven other Ontario cities besides Toronto, the three-member appeal board panels adopted this practice for the first time in January 1978, hearing appeals in Thunder Bay, Sault Ste. Marie, Sudbury, Timmins, Ottawa, London and Windsor. This added service further decentralized the appeals system, and was the first time commissioners have travelled to hear appeals since the Board's inception in 1915. Appeal board hearings totalled 1,396 in 1978.

During most of the year, an appellant could obtain a hearing before an appeal board in Toronto within four or five weeks. In the latter part of the year, however, the caseload increased to a point where the waiting time was extended to two months. Since then, steps have been taken to improve scheduling so that three appeal board panels are utilized on a regular basis. It is expected that waiting time will be reduced once again to four or five weeks.

Postponements continued to cause delays in appeal hearings in 1978. In a year in which appeals at the two levels totalled 4,101, there were 1,907 requests for postponements. More than four out of five postponement requests were made by workers or their representatives. While understanding that parties making appeals must not be forced to proceed until they are fully prepared, the Board is anxious to eliminate postponements and the resultant delays.

One way of accomplishing this is to encourage appellants and their representatives to make sure their case is completely prepared before they seek a date for a hearing. In addition, parties proceeding with an appeal are being encouraged to have an alternative representative on call in cases where the first choice is an MPP, solicitor, union representative or someone else who may be unavailable at the last moment. It is worth noting that the fewest postponements are requested by the WCB's workmen's advisers, whose services are available without cost to the employee.

In another innovation to improve efficiency despite an increasing workload, a study was made of the secretarial services required by Appeals. As a result, the decision was made to adopt a word-processing system in 1979. As well as producing the necessary written records more efficiently, the new system is expected to provide a clearer statistical picture of the appeals process.



Claims Services Division

New legislation and an emergency situation posed special challenges for the Claims Services Division in 1978.

Even without legislated increases in WCB benefits (see below) and the emergency created by the postal strike in October, the division was working at full capacity. It received and processed more than 424,000 claims during the year, or 1,700 per working day.

The July 1 amendments to the Workmen's Compensation Act affected 63,000 active monthly pension cases. To handle most of the increases swiftly, the computer system was programmed to calculate retroactive benefits and issue the appropriate cheques. More than 21,000 cases were sufficiently complex that they had to be individually reviewed on a manual basis. This extra work required additional staff and many hours of overtime. While the new figures were being calculated, cheque recipients were kept informed about the status of their retroactive payments.

To prevent the postal strike from holding up benefits payments, the division prepared over 60,000 pension cheques in advance of the mailing date and forwarded them to pensioners. In addition, 49 temporary depots were set up throughout the province, at which injured workers could pick up their compensation cheques during the mail stoppage. The locations of these pickup points were advertised widely in the mass media.

In one of the major developments during the year, the division worked with the Medical Services Division in developing guidelines for Board approval, covering the adjudication of claims for laryngeal cancer resulting from exposure to asbestos dust and/or nickel aerosols.

As part of the ongoing special identification program for possible cancer cases (in cooperation with Medical Services Division), the division in 1978:

- continued with a program to identify former asbestos workers who may have died from or presently have lung cancer, gastro-intestinal cancer or mesothelioma arising out of prior employment involving exposure to asbestos fibre dust;
- began a search regarding claims for mesothelioma from employees who were exposed to asbestos dust in a wartime gas mask plant in Ottawa;
- continued the cross-Canada search to identify former Ontario uranium miners who may have died as a result of exposure while working in Ontario, to determine if their widows may be entitled to benefits.

In addition, 14 major claims policy studies were completed in 1978 (see list).

Many initiatives or programs to improve the division's efficiency were introduced or continued during the year:

- Quarterly reviews of the caseload of active claims were carried out as a means of monitoring staff performance.
- Work inspection programs were introduced to assist in making decisions about new claims and to ensure that prolonged disability claims are properly managed.
- As a result of increased emphasis on gathering information to speed the decision-making process, the number of field investigations conducted rose by more than 27 percent over 1977, bringing the total to more than 10,000.
- Eighteen persons were added to the adjudicating staff, permitting the average case load for adjudicators to be reduced from 288 to 236 cases. This average will be reduced further during 1979. The decrease in case-loads makes it possible for adjudicators to provide better service to injured workers.
- As part of a continuing training program, 247 adjudicators took courses lasting from two to fifteen weeks. The system ensures that staff members

gain the experience to deal progressively with more complex cases. Experience levels have not yet reached the ideal, but through concentrated training activities the position was considerably strengthened by the end of the year.

- Training courses were also completed by 78 claims counsellors and other selected staff.
- To find ways of reducing the time between the registration of a claim and the issuance of the first compensation cheque, the division conducted an extensive study of claims in three categories: uncomplicated claims, claims instituted on the doctor's first report, and complicated claims. (These three categories refer to the complexity of the adjudication of the claim, and not the severity of the injury.) The study showed that 95 percent of uncomplicated claims were paid within five working days of receiving the employer's report of the accident; 87 percent of claims instituted on the doctor's first report were paid within 30 working days from the date when the WCB was notified of the accident; and 67 percent of complicated claims were paid within

30 working days of receipt of notification. (For additional details, see chart.)

- Communications and service in various Board offices were improved by the addition of ten clerks to the claims telephone enquiry staff, the installation of additional phone lines and better switchboard equipment, and the use of courier services for overnight deliveries to area offices.
- A fourth information office, at Kingston, was opened. (To supplement the work of area and information offices, claims staff visit 14 smaller Ontario cities and towns regularly. In certain Northern Ontario communities, the Board is also assisted by Ontario Ministry of Northern Affairs staff.)

Mindful of the value of good public relations, the division continued to increase its contact with members of the Legislature, union and management groups, various special-interest organizations, and local media. During 1978 the division carried out over 1,000 speaking engagements, took part in radio, television and newspaper interviews, and conducted tours of the Board's facilities.

Highlights of increases in WCB benefits

Legislative amendments in 1978 brought increases in WCB benefits. The new amounts are summarized below.

- Ceiling on earnings covered: \$16,200.
- Permanent total disability pensions, monthly minimum (retroactive): \$444 as of July 1, 1976; \$480, July 1, 1977; \$509, July 1, 1978.*
- Temporary total disability benefits, weekly maximum (for accidents occurring on or after July 1, 1978): \$233.66; weekly minimum, \$115 or earnings, if less.
- Fatal benefits — immediate lump sum (for deaths occurring on or after July 1, 1978): \$800.

- Funeral cost benefits: \$800.
- Dependant spouse, monthly pension (retroactive): \$318 as of July 1, 1976; \$344, July 1, 1977; \$365, July 1, 1978.
- Dependant children, monthly pensions (retroactive): \$86 as of July 1, 1976; \$93, July 1, 1977; \$99, July 1, 1978.
- Dependant orphans, monthly benefits (retroactive): \$98 as of July 1, 1976; \$106, July 1, 1977; \$113, July 1, 1978.
- Other dependants' benefits, monthly ceilings (retroactive): \$318 as of July 1, 1976; \$344, July 1, 1977; \$365, July 1, 1978.
- Annual clothing allowances (effective July 1, 1978): for person wearing artificial leg or permanent back or leg brace, \$219; artificial arm, \$110.

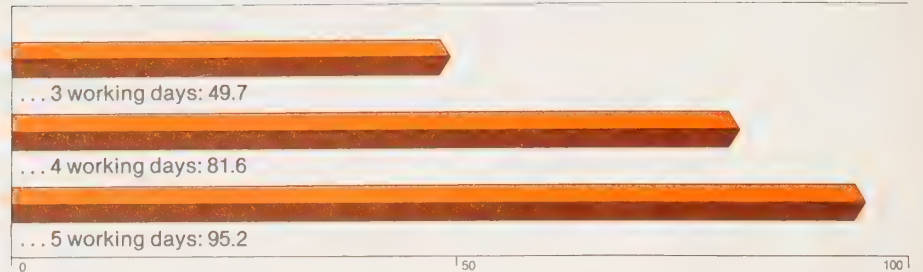
*Permanent disability pensions increased by 11 percent effective July 1, 1976; 8 percent effective July 1, 1977; and 6 percent effective July 1, 1978; for a cumulative effect of 27 percent.

A study in responsiveness

A study of the time it takes for the Claims Services Division to issue the first compensation cheque produced these findings:

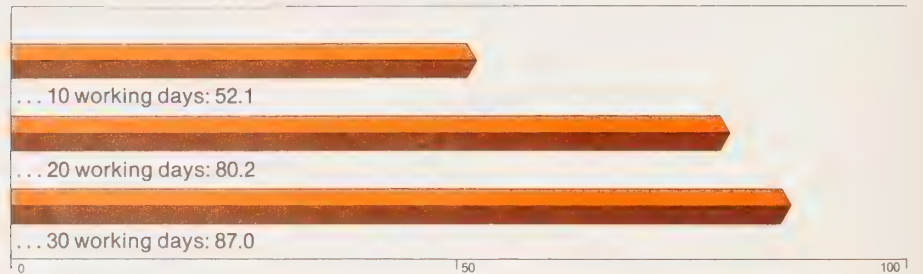
Uncomplicated claims

Percentage of claims paid within ...



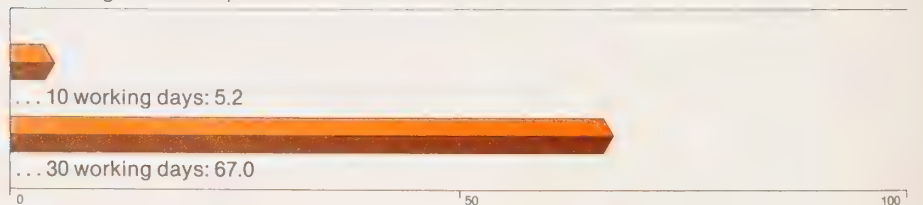
Claims instituted on the doctor's first report (requiring additional reports from employer/employee)

Percentage of claims paid within ...



Complicated claims (requiring enquiries or full field investigations)

Percentage of claims paid within ...



Annual Comparison of Claims Received

Number of Claims:



Of the total number of claims received, approximately 60 percent are for medical aid (no lost time) and 40 percent are claims for lost time.

Claims Policy Studies

Section 40 Review

To update operating policies for the setting of fair and equitable wage bases for temporary disability in re-opened claims.

Section 41 (1) (b)

To revise and update procedural guidelines for the handling of claims for temporary partial disability where suitable work is not available, but the injured employee is available for work and is cooperating in a vocational or medical rehabilitation program.

Section 42 (6) — Disfigurement Awards

To review existing policy to ensure that awards granted for disfigurement continue to be based on reasonable consideration of the facts involved.

Section 44 — Room and Board Allowance

To review and update the allowance made for room and board for the purposes of assessment and establishing benefit rates.

Adjudication of Lung Cancer in Certain Occupations

An ongoing program which involves the evaluation of scientific data, epidemiology studies and the development of guidelines for the adjudication of cancer claims resulting from varied types of industrial exposure.

Permanent Disability Awards for Impotence and Sterility

To establish the criteria for allowance of a permanent disability award for impotence and sterility resulting from either direct trauma to the genitals or exposure to certain chemical agents.

Adjudication of Claims for Vibration Induced White Finger Disease

To establish guidelines for the adjudication of claims for vibration induced white finger disease, including awards for permanent disability.

Short Term Pension Advances

To ensure that adequate policy and procedural guidelines are operational to process requests for short-term pension advances from injured employees.

Chiropractic Treatment

The development of administrative procedures to ensure timely referral of claims to the Medical Branch for the purpose of treatment control.

Adjudication of Claims on an Aggravation Basis and the Application of the Second Injury and Enhancement Fund

To review operating policy and procedural guidelines for the adjudication of claims on an aggravation basis and ensure the basis on which financial relief is given to the employer providing for equitable transfer of costs. The policy was revised to provide for more equitable allowance for permanent disability when the pre-existing condition was not actually producing disability at the time of the accident.

Entitlement for Psychological Disability

To review and update policy and procedural guidelines for the handling of claims for psychological disability. This is an ongoing program which also includes the evaluation of the degree of psychological disability as a temporary or permanent disability.

Recovery of Overpayments

The development of policy and procedural guidelines for the recovery of overpayments, so as to ensure the employee fully understands why the overpayment occurred, and in order to avoid undue hardship, establish a recovery schedule that is within the employee's financial capabilities.

Accidents Arising Out of and In the Course of Employment — Off Duty Police Officers

To develop guidelines for the adjudication of claims for off-duty police officers who are injured while travelling from home to court and return.

Setting Compensation Rate for Volunteer Firefighters

To review the policy of awarding benefits for volunteer firemen on the basis of a seven-day-a-week worker versus a five-day-a-week worker.

Medical Services Division

Among the major achievements of the Medical Services Division in 1978 were developing criteria for payment of benefits for cancer of the larynx, the creation of the first guidelines for paying disability pensions to workers with white finger disease, research into lung cancer, and new success in helping people with back problems.

The Board's decision to make the first compensation award in the world for laryngeal cancer was based on new scientific evidence linking this disease to exposure to nickel aerosols and asbestos fibre dust. By the end of 1978, a further 17 claims had been accepted.

In January of 1978, the Board approved the newly developed guidelines for adjudicating claims by miners suffering from vibration-induced white finger disease. The disease occurs after the repeated use of hand-held vibrating tools and the jack-leg drills employed by miners. The vibration causes the walls of blood vessels in the fingers to contract, producing numbness and discomfort. Before the guidelines were adopted, only seven permanent disability awards had been made in 204 cases of white finger disease (although many other cases were granted lesser forms of compensation). With the guidelines in place, the total number of cases granted permanent disability pensions rose to 86.

The research into lung cancer included the investigation of exposure intervals for persons developing lung and sinus cancer in nickel sintering operations, and a study of the possible relationship between certain types of chronic obstructive lung disease and exposure to sulphur dioxide and sulphur dioxide particulates in nickel smelting operations.

The division's back education program became operational in 1978, with 526 patients at the Hospital and Rehabilitation Centre receiving instruction in ways of relieving back

pains. Many of them have described the program as the best treatment they have ever had for their disability. Before the year was out, plans were made not only to offer the service to a greater number of patients in 1979, but also to introduce a similar form of instruction in the workplace, as a preventive measure. With the cooperation of the Communications and Safety Education Divisions, the program will be made available to industry, beginning with a pilot project in 1979.

Also at the Hospital and Rehabilitation Centre, phase II of the division's back research project began its follow-up evaluation. Results cast serious doubt on the value of repeat surgery for back problems. In conjunction with this, phase III of the project was begun. In this phase, patients will be evaluated before they undergo the first major surgical procedure to the spine.

In an administrative change, the division reassumed responsibility for major research projects that had rested for a time with the Occupational Health and Safety Division of the Ministry of Labour. (The division's research programs and projects in 1978 are shown in a separate list.)

The division's Pain Identification and Measurement Module at the Centre examined and assessed more than 50 patients to determine the precise origins of their pains, including those for which no organic cause could be found. The program will become fully operational in 1979.

An encouraging trend in x-ray practices also became evident in 1978. While the number of patients requiring x-rays for evaluation and investigation increased somewhat, from 3,371 in 1977 to 3,770 in 1978, the total number of exposures required in the four years ending in 1978 declined from 18,465 to 17,134. This decline reflects a desire to keep radiation exposure as low as possible while still carrying out necessary investigations that require x-ray studies.

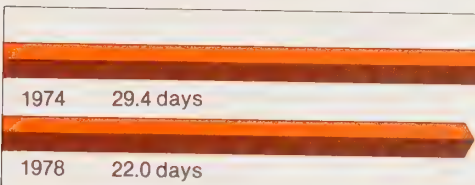
Other significant trends in 1978 are depicted in the accompanying graphs.

Admissions to the Hospital and Rehabilitation Centre:



Admissions increased by almost 50 percent in the four years ending in 1978.

Average patient stays, 1974-78:



Average patient stays decreased by more than 25 percent from 1974 to 1978, producing annual savings of \$1,368,000.

Number of patients in specialized clinics or treatment modes:

	1977	1978
General trauma clinic patients	339	434
Back assessment and rehabilitation clinic	258	294
Psychological and social evaluation module	284	328
In-hospital orthopedic consultations	879	988
Psychology services patients	1,370	1,695
Psychology services interventions (individual and group therapy)	4,292	5,835
Biofeedback applications	923	2,129
Cases requiring examination by consulting psychiatrist	307	483

Medical Research Programs and Projects in 1978

Completed in 1978:

Computerized knee goniometer research program to study gait defects and correlation to pathology.

Rotator cuff injuries of the shoulder.

Prosthetic replacement devices in the shoulder.

Posterior facet syndrome in low back pain.

Nerve entrapment syndrome evaluation and investigation.

Effects of denervation on paraspinal muscles following surgery.

Electromyographic changes in paraspinal musculature following spinal surgery.

Brachial plexus injuries.

Sudek's atrophy following soft tissue crush.

Longterm results following meniscectomy.

The effect of early removal of hardware on fracture sites strength following bony union.

The place and utilization of ray amputation in hand injury.

An evaluation of the problem of exaggerated hearing loss utilizing cortical audiometry.

An evaluation of standardization of audiometric laboratory testing facilities.

Research to define a percentage hearing loss curve and total deafness.

A project to define the differences between impairment handicap and disability as they relate to industrial hearing loss.

A study to evaluate the longterm effects of exposure to asbestos fibre dust.

A study to determine the relationship of bronchogenic carcinoma and mesothelioma (pleural and peritoneal) related to exposure to asbestos fibre dust in the absence of asbestosis.

A project to determine the relationship between certain gastrointestinal cancers (esophagus, stomach, small bowel, colon and rectum) and the exposure to asbestos fibre dust.

Continuing from 1978:

Cellular study changes in paraspinal musculature following spinal surgery.

The evaluation and salvage rates following multiple major surgery to spine.

The efficacy and salvage rate following the second operation to lumbar spine.

A study into the indications and contra-indications to primary lumbar spine surgery.

A study into the functional results of the replanted limb.

An evaluation of the myoelectric upper limb prosthesis.

An evaluation of the noise attenuation capabilities of ear plugs, custom ear plugs, and ear muffs.

An evaluation of hearing aids indications for application and hearing aid re-evaluation programs.

A study to evaluate and identify tinnitus.

A case-control study to determine the relationship between laryngeal carcinoma and the exposure to asbestos fibre dust and to nickel aerosols.

An investigation into the Alpha I Antitrypsin deficiency factor as it relates to the acceleration of certain types of pulmonary emphysema.

Vocational Rehabilitation Division

In what was probably the Board's most significant organizational change in recent years, Vocational Rehabilitation emerged in 1978 as a major division of the Board, separate from Medical Services.

As of May 1, 1978, this division and the new Medical Services Division were formed from components of the former Rehabilitation Services Division, whose responsibilities until then had encompassed both of those major Board functions.

The administrative and practical advantages of creating separate divisions for rehabilitation and medical work had become increasingly apparent with the growth in demand for more and better medical expertise, especially in regard to industrial diseases, and with the Board's resolve to strengthen its performance in vocational rehabilitation.

With the creation of the new Vocational Rehabilitation Division, the counselling staff was increased, placement services were strengthened, and both these functions were further decentralized throughout the province. The staff increase made it possible for rehabilitation counselors' average caseload to be reduced from 91 to 64, thereby enabling them to provide more effective service to their clients.

The addition of staff also meant that their training became a priority, and throughout the year, division personnel took courses in psychology, management, counselling and human relations.

Such formal training bears directly on the work of this division, which includes vocational, social and financial counselling; job placement assistance; trade and academic training; on-the-job training; individual assessments; and work trials and placement services through cooperating employers.

The division's new effectiveness is demonstrated by its 1978 record of success in helping handicapped workers find new jobs. These accomplishments were preceded by several steps: getting the person to accept and adjust to the handicap; helping them take stock of their abilities; helping them decide the type of work for which they are best suited; and coaching in job-hunting techniques.

The majority of placements of injured workers continued to be achieved by vocational counselling staff, and through their efforts in 1978, a record 2,800 people successfully returned to employment.

In addition, the employment specialists sought out and counted on much willing cooperation from employers and unions. This aspect of the program was aided by publicizing the value of hiring rehabilitated injured workers through personal visits, attractive pamphlets, newspaper articles and radio and TV programs. A portable display was produced for use at seminars and meetings throughout the province.

In 1978, the end results were much more gratifying than in the previous year, with 418 handicapped persons placed in permanent jobs, compared to 131 in 1977. A total of 1,425 job opportunities were located through cooperating employers during the year. The 1978 record is especially remarkable because the division's Employment Services Section did not become fully operational until the fall. Now employment specialists in the division are projecting a total of 600 job placements in 1979.

Other key statistics for the past year:

- 2,174 training programs for injured workers unable to return to their old jobs were begun, and 1,164 were completed.
- More than 1,700 injured employees undertook assessments of their working capacity (an increase of 121 per cent over 1977).
- Service was completed in the field for 5,120 cases, about the same number as in 1977. In addition, 5,631 cases remained active at the year's end.
- 443 cases could not be rehabilitated because of geographic isolation, total disability or other restrictions.
- 28,496 interviews were conducted by the division at head office, area offices and the Hospital and Rehabilitation Centre in Downsview.
- 725 cases were referred to social workers (a 40 percent increase from 1977).

Considerable emphasis was placed on the handling of cases that can be given financial assistance under Section 41 (1) (b) of the Workmen's Compensation Act. This section gives the Board latitude to pay full compensation to temporarily partially disabled workers while they are seeking employment. As a result of this special initiative in 1978, more than 1000 injured people in this category went back to work. This total represents a 40 percent increase over the total for 1977.



Significant improvements in service resulted from various internal changes during the year:

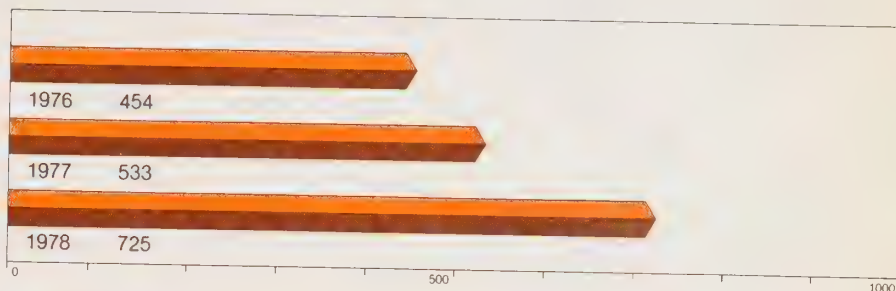
- Expansion of the in-office counselling staff allowed field staff working out of head office to spend more time on their caseloads.
- Improvements in internal communications and methods reduced the time required to refer new cases to rehabilitation counsellors in the field.
- Centralization of pension commutation activity by the provision of specially trained staff at head office resulted in faster and more efficient performance of this function.
- A supervisor of social work was appointed to improve control and quality of service in this area.
- A systems planning specialist was assigned to assist the division in the development of computerized operations.

As part of the Board's policy of providing information to the public, work commenced on a new policies and procedures manual, to be published in 1979. It will provide up-to-date guidance for staff and general information to the public.

The division continues to be represented on the provincial government Interministerial Team of Rehabilitation Co-ordinators, which is seeking to bring about increased co-ordination of rehabilitation interests and efforts.

**Examples of the increasing workload
in rehabilitation services:**

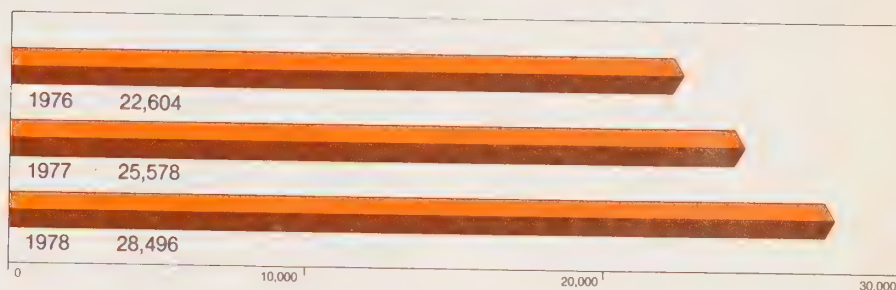
Referrals for social work assistance



Number of workers rehabilitated*



Interviews conducted by the division



*Includes: returned to former employment; new employment; self-employment; achieved financial self-sufficiency through other means.

Communications Division

A major overhaul of programs, based on a number of research studies, marked the Communications Division's activities during 1978.

In order to determine existing public knowledge and provide a benchmark by which to measure future programs, the division commissioned a survey of public awareness, conducted by means of 650 telephone interviews throughout the province. The findings showed that the public lacks knowledge about the compensation process, but the majority hold positive attitudes toward the Board.

With results of the survey in hand, an information program was developed, pretested, and adjusted, and messages were placed in newspapers and on radio and television throughout the province. These described the basics of the compensation process: who is covered; the importance of prompt reporting of accidents; and how to make enquiries of the Board.

The campaign, which began in September, ran to the end of the year, and a follow-up study to gauge results was planned for the spring of 1979.

A detailed study of existing Board publications, conducted internally, involved measurement and appraisal of content, readability, graphic design, and duplication of information. Following presentation of results to the Board, Communications staff embarked on a program of rewriting and redesigning publications, paying particular attention to readability. The major external publication of the Board, *WCB Report*, was completely redesigned, going from tabloid to magazine format, and has gained wide acceptance from a large and varied audience.

Also in 1978, for the first time in recent years, emphasis was placed on travelling exhibits. A major display was developed and shown at the Canadian Lakehead Exhibition in Thunder Bay, the Central Canadian Exhibition in Ottawa, and the Western

Ontario Fair in London, attracting a total of more than 100,000 visitors. This figure represents nearly 10 percent of all visitors to the three fairs — more than double the ratio considered excellent for exhibits of this kind. A separate exhibit, sponsored jointly with the Farm Safety Association, was taken to the International Plowing Match at Wingham, where it attracted unusually large numbers of visitors.

To support the Vocational Rehabilitation Division's hiring program, an additional portable exhibit was completed, with a specially-created audio-visual program, graphics and a series of information pamphlets.

With the current interest in the audio-visual area, the division began looking at the potential use and value of A-V materials. A survey of commercial television and cable TV stations throughout the province indicated an interest and willingness to use video materials from the Board, explaining its policies.

A coordinator of audio-visual services position was established, and plans made to develop a new library of video material for use by Board staff.

In other internal changes, the division was reorganized, and five additional professional staff were hired. The purchase of a computerized word-processing system greatly speeded the flow of work and production of materials.

Believing that a well-informed staff is the Board's most valuable asset, the division continued to provide internal news and current information to the more than 2,000 employees through the redesigned staff monthly, *Compensator*. A summary of media reaction to the Board is circulated through the more specialized *Newstrack*, which contains extracts of comment and criticism about the WCB.

Throughout the year, the Communications Division advised management on the communications aspects of policy decisions and acted as a resource and service agency for other divisions.

Safety Education Division

The Workmen's Compensation Board spent more than \$13 million on safety education in 1978.

The Safety Education Division's direct action included providing information and advice to industry and distributing safety literature. In addition, much important work was done in cooperation with the nine safety associations which comprise the WCB-supported Council of Safety Associations.

Safety promotion, undertaken with the council and safety associations themselves, took many different forms. Among these were the production and distribution of safety films, slides, posters and literature, the training of new workers in safe working practices, on-the-job discussions of safety practices, and the training of supervisors in safety promotion. Research aimed at determining accident trends and program requirements was also conducted.

Among the projects sponsored by the council were two conferences, one each in Ottawa and Timmins, on alcohol and drug abuse in the workplace. The council also cooperated in planning for the 1979 back education project, in which a program developed by the Medical Division will be made available to industry. Individual associations belonging to the council have agreed to promote this program throughout the industries they represent.

First aid training was also one of the division's prime concerns in 1978. In keeping with a policy established to encourage employers to maintain first aid stations in their plants, the Board pays St. John Ambulance to train up to two employees per shift for each first aid station maintained by Schedule 1 employers. In 1978, 18,000 employees were trained in standard first aid and 300 were instructed in emergency first aid.

The Safety Education Division continued as well to share in the support of a first-aid training program called project LIFE (Learn Industrial First Aid Effectively). Conducted by St. John Ambulance, Project LIFE is



an eight-hour first-aid course given to employees of various companies in the Metropolitan Toronto area. Employers pay the fees for this training, while the Board, through the Safety Education Division, pays the administrative costs, which in 1978 amounted to approximately \$88,000.

Council of Safety Associations

Construction Safety Association of Ontario
Electrical Utilities Safety Association of Ontario
Farm Safety Association
Forest Products Accident Prevention Association
Hospital Occupational Health and Safety Services of the Ontario Hospital Association
Industrial Accident Prevention Association
Mines Accident Prevention Association
Ontario Pulp and Paper Makers' Safety Association
Transportation Safety Association of Ontario

Human Resources Division

The Human Resources Division's work in 1978 covered a wide range of activities, including new emphasis on the hiring of handicapped persons as Board employees, the establishment of a counselling service for Board staff, and the interviewing of 3,500 job-seekers.

In hiring an additional 16 handicapped persons in 1978, Human Resources provided active support for the program being promoted throughout industry by the Vocational Rehabilitation Division.

Although the new program to assist employees with personal problems was not fully operational until mid-year, it served 50 Board employees for both work-related and family, emotional, health or social services needs.

The 3,500 interviews conducted by Board recruiters included those associated with 400 internal job postings and 30 newspaper advertisements.

In 1978 the Human Resources Division also:

- provided employment and career counselling for more than 100 employees, an all-time record;
- prepared and distributed two updated booklets, one describing employee benefits, the other welcoming new employees;
- sponsored training sessions, attended by more than 1,500 staff members, on such subjects as selection interviewing and management skills, letter and report writing, counselling, and telephone techniques;
- offered programs on personal development attended by 2,300 employees;
- encouraged 250 employees to enroll in business and degree courses under tuition assistance, French language and Civil Service Commission programs;
- reviewed the present system of evaluating salaries;
- introduced new procedures for reviewing job performance.

In addition, Human Resources continued to serve other divisions by developing overall personnel policies and assisting in organizational changes.

Women's advisor worked to improve career opportunities

Positive Action for Women

To further the Positive Action for Women Program, the women's advisor in 1978 concentrated her efforts on improving career opportunities for women as Board employees.

This general goal encompassed four objectives:

- encouraging women and management to overcome traditional job-role stereotyping;
- assisting women investigating new possibilities in keeping with their career interests and potential;

- providing opportunities for women to develop their potential and gain experience so as to be considered for promotions on an equal basis with men; and
- eliminating institutional barriers that women may encounter in seeking better jobs.

These objectives were pursued through information sessions and meetings with senior management and female staff; training and development workshops; individual and group counselling; area office visits and presentations; internal communications and various co-operative efforts with the Human Resources Division.

Administrative Resources Division

Throughout the year, the Administrative Resources Division sought and carried out new ways of stepping up the Board's efficiency and level of service, as the numbers of claims documents and medical accounts handled exceeded the 1,000,000 mark.

Among 1978 projects designed to improve efficiency:

- an evaluation of the time it takes for the WCB to handle and process compensation claims, in co-operation with the Claims Services Division.
- an assessment of the Canada Post Office's distribution and delivery of compensation cheques.
- the development of evaluation criteria for important Board programs.

Further progress was made during the year on the implementation of the 1977 Systems Planning report. To increase access for area offices to the head office computer, a computer link-up was established with the Kingston Information Office, and additional visual display units were added to the Ottawa, London, Sudbury and Hamilton offices.

In 1978 the division also:

- consolidated two record-handling sections into a new Claims-Firms Identification and Registration Services

section in preparation for a computerized system to be established in 1979;

- responded to more than 600 separate requests for statistical information, from outside agencies and from within the Board;
- produced 109 accident experience reports, as required under The Employees Health and Safety Act (Under this Act the WCB must, on request from a union or employee, provide a report summarizing a firm's accident experience);
- produced more than 25 reports per month on lost-time accidents for the nine safety associations which the WCB supports;
- helped the Ministry of Labour meet its responsibilities in regard to safety (education, prevention and enforcement) by providing statistical details of all WCB compensation claims;
- cooperated with Statistics Canada in developing a national statistical program on work injuries;
- provided information on Ontario industrial accidents to several Canadian federal ministries and various agencies in the United States;
- maintained an error rate of only 2.65 per 1000 claims documents processed by its Firms Indices section.

Documents and accounts handled by Claims Indices Section, 1977 and 1978

	1977	1978	% increase
Claim documents	306,910	320,127	4.3
Medical accounts	681,960	720,725	5.7
Total	988,870	1,040,852	5.3

In addition, 424,000 new claims were registered in 1978.

Documents processed and telephone enquiries received by Firm Indices Section, 1977 and 1978

	1977	1978	% Change
Claims	830,304	819,188	-1.34
Revenue	39,468	46,050	+ 16.67
Telephone enquiries	29,372	37,127	+ 26.40

Claim File Search Program Activity, 1977 and 1978

	1977	1978	% Change
Telephoned requests	109,000	166,000	+ 52.3
In-person enquiries (head office)	24,000	27,000	+ 12.5

Mail Room Operations



Outgoing mail total included compensation and pension cheques numbering 1,290,000, a 10-percent increase over the 1977 volume.

\$1,200,000 recovered

Legal Services Division

As the division responsible for engaging in litigation on behalf of the Board, Legal Services acts on behalf of injured employees who have chosen to subrogate to the Board their right of action against negligent third parties under section 8 of the Workmen's Compensation Act.

In 1978, 342 such litigation files were opened. Settlements were obtained in 263 cases, and \$1,200,000 in damages was recovered. A surplus of \$394,000

was paid to the injured employees involved, in addition to their compensation benefits.

The Legal Services Division advises the Corporate Board and operating management on legal matters. It is responsible for assisting in the drafting of legislation and regulations and performing the function of appeals administrator for hearings under section 15 of the Act.

Financial Services Division

An all-time high in interest rates contributed to a dramatic increase in the Board's investment income in 1978.

Income from investments, which had amounted to \$69.8 million the previous year, rose to \$105.2 million, an increase of more than 50 percent. Meanwhile, the running yield on the long-term portfolio improved from 8.85 percent for 1977 to 9.18 percent for 1978.

In other changes during the year:

- assessments rose to \$539 million, from \$525 million in 1977;
- the estimated payroll covered increased to \$27.5 billion, from \$27.1 billion the previous year;
- accident fund investments, valued at amortized cost adjusted for accumulated unamortized net losses, grew from \$1,007,300 in 1977 to \$1,243,300 at the end of 1978.

On July 1, 1978, the maximum earnings for compensation purposes was raised from \$15,000 to \$16,200. However, to avoid complicating employer reporting in mid-year, the Board postponed its assessment of employers at the new rate until January 1, 1979.

The decision was taken in 1978 to introduce an instalment system for payment of employers' assessments. Beginning in 1979, employers with annual assessments of \$500 or more could pay in quarterly instalments.

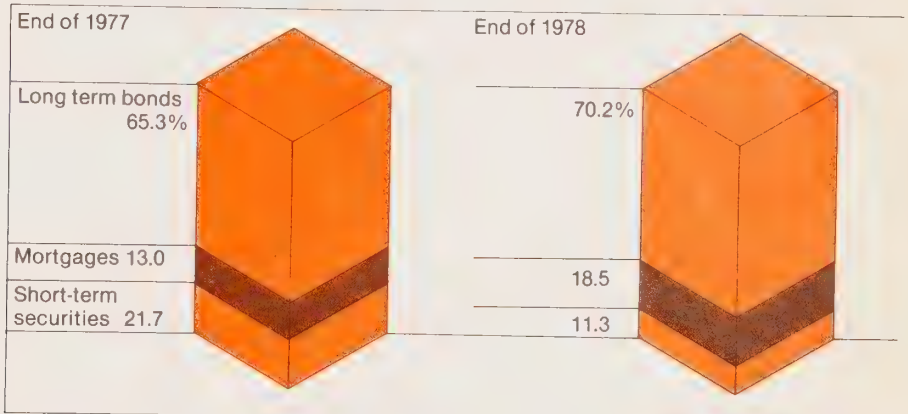
This instalment arrangement will reduce the Board's need to maintain large amounts of short-term securities, other than as an investment choice. For this reason, the portion of the accident fund allocated to this segment will likely continue to decline in 1979 (see chart).

The revision of the Experience Merit Rating plan is also underway, and it is expected that merit rating will be applied universally beginning in 1980. The effect will be to provide sizeable rebates of assessment to employers with good accident cost records, and levy additional charges to employers with higher than average cost experience.

As part of its continuing effort to control administrative costs, the Board had its audit committee review results every month during 1978.

How the accident fund investment portfolio changed in 1978:

Percentage of Total



Actuarial Services

Even with the increase in benefits in mid-1978, the financial condition of the Schedule I Accident Fund remained stable. As a result, the Board was able to reduce all 1979 assessment rates by 8 percent, and maintain its commitment to eliminate the unfunded liability by 1991.

With the benefit increases, the Board's future obligations to existing Schedule I claimants rose by \$270 million. However, because \$30 million of lump sum and other benefit increase-related payments were paid out during the latter part of the year, the total value of benefit improvements at year end was \$240 million, or 14 percent of total future obligations.

The healthier than expected condition of the Accident Fund — assets amount to 78 percent of future obligations versus 75 percent in 1977 — can be attributed largely to three factors:

- a reduction in the number of Schedule I lost-time claims;
- a reduction in the dollar value of benefits awarded to Schedule I claimants (net of the impact of the increase in benefits on July 1);
- and an increase in the fund's future earnings capacity.



**Workmen's Compensation Board
Financial Statements and
Report on the Audit
Year Ended December 31, 1978**

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To the Workmen's Compensation Board and
to the Minister of Labour.

The statement of financial position — Schedule 1 Accident Fund and Schedule 2 of Workmen's Compensation Board as at December 31, 1978 and the statement of income and unfunded liability — Schedule 1 Accident Fund for the year then ended have been examined. The examination was made under my direction by the auditor appointed by the Lieutenant Governor in Council and I have relied on the work and report of the auditor so appointed. The examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as were considered necessary in the circumstances including those necessary to rely on the work and report of the appointed auditor.

In my opinion these financial statements present fairly the financial position of the Board as at December 31, 1978 and the results of its operations for the year then ended in accordance with generally accepted accounting principles which, except for the change of accounting for gains or losses on the sale of investments, as referred to in Note 1 to the financial statements, have been applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario.
April 30, 1979.

A handwritten signature in dark ink, appearing to read "F. N. Scott".

F. N. Scott, F.C.A.,
Provincial Auditor.

Consulting Actuaries

**Consulting Actuary's Report on
the Valuation of the Actuarial
Liabilities of the Schedule I Accident
Fund of the Workmen's Compensation
Board of Ontario
as at December 31, 1978**

The estimated present value of future compensation, pension payments and medical aid under Schedule I on account of accidents that occurred on or before December 31, 1978 in the amount of \$1,730,000,000 has been computed by the Board's Staff Actuary in accordance with methods and assumptions approved by us. We believe that the assumptions made are appropriate for this valuation and the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for our purposes and consistent with the Board's financial statements.

In calculating the present value, no provision was made for potential future legislated amendments to The Workmen's Compensation Act. The methods and assumptions employed are substantially the same as those employed in the valuation as of December 31, 1977. We made certain refinements in methods which did not significantly affect the aggregate estimated present value of the future payments referred to above.

In our opinion, which includes the foregoing comments, the amount of \$1,730,000,000 as at December 31, 1978 makes reasonable provision for future compensation, pension payments and medical aid under Schedule I on account of accidents that occurred on or before December 31, 1978.



Samuel Eckler, F.S.A., F.C.I.A.



David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of Eckler,
Brown, Segal & Company Ltd.

April 30, 1979.

**Statement of Financial Position
Schedule 1 Accident Fund and
Schedule 2
December 31, 1978**

Assets	1978	(\$000's)	1977
Cash (overdraft)	1,712	(476)	
Investments, not in excess of amortized costs	1,243,279		1,007,334
Assets held for Schedule 2 employers — Page 33	4,764		5,876
Other assets	107,740		132,029
Land, buildings and equipment	18,779		14,305
Total assets	1,376,274		1,159,068
Liabilities			
Accounts payable and accrued charges	25,696		27,052
Net deposits by Schedule 2 employers — Page 33	4,764		5,876
Estimated present value of future payments to existing claimants (Note 3)	1,730,000		1,500,000
Total liabilities	1,760,460		1,532,928
Unfunded Liability — see below	(384,186)		(373,860)

See accompanying notes.

On Behalf of the Board

Michael Star

Chairman

[Signature]

Vice Chairman of Administration

**Statement of Income and
Unfunded Liability
Schedule 1 Accident Fund
Year Ended December 31, 1978**

Income	1978	(\$000's)	1977
Assessments and penalties (net of uncollectible assessments 1978 — \$13,200; 1977 — \$4,000)	538,981		524,697
Investment income (Notes 1 and 6)	105,222		69,797
Total income	644,203		594,494
Expenses			
Benefits — Page 33	590,685		412,483
Accident prevention — Page 34	13,484		11,897
Administration — Page 34	41,313		33,396
Medical and rehabilitation services	8,555		6,628
Mine rescue	492		396
Total expenses	654,529		464,800
Excess of (expenses over income) income over expenses for the year	(10,326)		129,694
Unfunded liability, beginning of year	(373,860)		(503,554)
Unfunded liability, end of year	(384,186)		(373,860)

See accompanying notes.

**Notes to Financial Statements
Year Ended December 31, 1978**

1. Change in accounting policy

During the year the Board adopted a new accounting policy relating to the reporting of gains or losses on the sale of Schedule 1 and Schedule 2 investments (see Note 2 (a)).

Under the previous policy all gains or losses in respect to the sale of Schedule 1 investments were recognized when they occurred.

In addition, the 1974 unamortized loss resulting in the restructuring of the Schedule 2 investment portfolio which, was being amortized over a certain number of years, has now been written-off.

The change in accounting policy has not been applied retroactively to previous years and has resulted in the increase of Schedule 1 investment income and the decrease of Schedule 2 investment income by \$2,419,000 and \$171,701 respectively, compared to the amounts which would have otherwise been presented had the change not occurred.

2. Significant accounting policies

(a) Investments are carried at amortized cost for bonds and amortized cost less principal repayments for mortgages, each plus or minus the unamortized balance of losses or gains on sales. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment of future portfolio yield deferred on the statement of financial position and amortized over the lesser of the period to maturity of the security sold or 20 years.

(b) Fixed assets are recorded at cost and depreciated on a straight line basis at the following rates:

Buildings	2½%
Equipment	20%
Motor vehicles	25%
Leasehold improvements	10%

(c) Assessment income is determined on the basis of payrolls reported by employers.

(d) The Board has established assessment policies which are deemed to be sufficient to finance an unfunded liability which has been determined to exist as a result of making the provision for the estimated present value of future payments to existing claimants. The estimated present value of future payments to existing claimants is determined annually on the basis of actuarial valuations.

3. 1978 Legislative amendments

In 1978, the Legislature approved amendments to the Act as follows:

- (i) the increase in existing permanent pension awards,
- (ii) the increase in future pension awards relating to claims which occurred prior to January 1, 1978 and
- (iii) the retroactive increase in pension payments, the amount of which was paid during 1978.

The total costs of these amendments have been determined to be \$270 million of which \$30 million has been provided for in the current year and the remaining \$240 million forms part of the \$1,730 million estimated present value of future payments to existing claimants as at December 31, 1978.

4. Comparative figures

Certain of the 1977 comparative figures have been reclassified in order to conform with the current year's financial statement presentation.

5. Supplementary financial position information

Investments	1978	(\$000's)	1977
Bonds	869,841		657,081
Mortgages	229,634		130,932
	1,099,475		788,013
Unamortized portion of realized gains or losses on sale of investments	2,419		—
	1,101,894		788,013
Short term	141,385		219,321
	1,243,279		1,007,334
Other assets			
Accrued investment income	27,001		16,926
Accrued assessment income	30,000		40,137
Assessment receivable	50,503		74,144
Due from Schedule 2	137		685
Prepaid administration expenses	99		137
	107,740		132,029

Land, buildings and equipment

			1978	(\$000's)	1977
	Cost	Accumulated depreciation	Net book value		Net book value
Land	6,754	—	6,754		6,754
Building and road	8,023	3,653	4,370		4,439
Leasehold improvements	1,463	438	1,025		778
Equipment	11,203	5,065	6,138		1,965
Board cars	803	311	492		369
	28,246	9,467	18,779		14,305

6. Investment income

	1978	(\$000's)	1977
Investment income	105,556		75,713
Less: Amortization of profit (loss) on sale of investments (Note 1)	(162)		(5,785)
Administrative expenses	(172)		(131)
	105,222		69,797

7. Anti-inflation guidelines

Pursuant to the terms of the enabling Act of the Ontario Legislature, the Board is subject to Part IV of the guidelines issued under the Federal Anti-inflation Act. Accordingly salaries and wages paid by the Board are subject to restraint under the Federal program.

The Board has complied with the anti-inflation guidelines from the date of inception of the program to its termination.

8. Commitment to Board's Superannuation Fund

The actuarial review of the Superannuation Fund as at January 1, 1978 as required by the Ontario Pension Commission was completed and submitted.

The aforementioned review revealed the Fund to be in a surplus position and therefore an annual supplementary contribution by the Board, as recommended in the previous review, is not required.

**Schedule 2 Assets and
Changes in Net Deposits
December 31, 1978**

Assets	1978	(\$000's)	1977
Investments — not in excess of amortized cost	4,765		6,419
Accrued interest	110		120
Accounts receivable	26		22
Due to Schedule 1 Accident Fund	(137)		(685)
Total assets	4,764		5,876
Changes in net deposits			
Reimbursements from employers	31,363		27,471
Investment income	406		414
	31,769		27,885
Deduct			
Benefits to workmen — Compensation	11,915		12,178
— Medical aid	6,416		5,642
— Rehabilitation	295		265
— Pensions paid	14,255		9,699
	32,881		27,784
(Decrease) increase in net deposits during year	(1,112)		101
Net deposits, beginning of year	5,876		5,775
Net deposits, end of year	4,764		5,876

**Schedule 1 Accident Fund —
Benefit Expenses
Year Ended December 31, 1978**

	1978	(\$000's)	1977
Payments during the year			
Compensation	184,397		182,261
Medical Aid	59,241		50,140
Rehabilitation	5,679		4,889
Pensions	112,188		75,939
	361,505		313,229
Less: Recovered from third parties	(820)		(746)
	360,685		312,483
Provision for increase in estimated present value of future payments to existing claimants			
Current	(10,000)		100,000
1978 Legislative amendments	240,000		—
	230,000		100,000
Total benefit expenses	590,685		412,483
The estimated present value of future payments to existing claimants has changed during the year as follows:			
Balance, beginning of year	1,500,000		1,400,000
Provision for increase (as above)	230,000		100,000
Balance, end of year	1,730,000		1,500,000

**Schedule 1 Accident Fund
Accident Prevention Expenses by
Category and Safety Association
Year Ended December 31, 1978**

By Category	1978	((\$000's))	1977
Salaries and employees' benefits	7,715		6,898
Travel and vehicle maintenance	1,132		1,057
Supplies and services	273		203
Equipment rental and maintenance	62		53
Depreciation of equipment	98		55
Occupancy costs	657		556
Security services and insurance	26		19
Communications and publications	2,895		2,574
Miscellaneous	626		482
	13,484		11,897
By Safety Associations			
Construction Safety Association of Ontario	4,474		4,411
Electrical Utilities Safety Association of Ontario	670		547
Forest Products Accident Prevention Association	722		626
Farm Safety Association, Inc.	414		349
Hospital Accident Prevention	339		275
Industrial Accident Prevention Association	5,213		4,175
Mines Accident Prevention Association of Ontario	660		599
Ontario Pulp & Paper Makers Safety Association	270		234
Transportation Safety Association of Ontario	722		681
	13,484		11,897

**Schedule 1 Accident Fund —
Administration Expenses
Year Ended December 31, 1978**

	1978	((\$000's))	1977
Salaries and employees' benefits	39,697		31,412
Travel and vehicle maintenance	1,027		880
Supplies and services	1,144		949
Equipment rentals and maintenance	1,813		2,177
Depreciation of equipment	1,074		517
Occupancy costs (net of \$543 rental income each year)	2,596		2,132
Security services and insurance	167		141
Data processing costs	2,334		2,292
Communications and publications	3,140		2,031
Chest examining station costs	444		353
Credit reports and legal expenses	386		347
Professional fees and services	291		178
Miscellaneous	1,011		729
	55,124		44,138
Less: Administration expenses charged to:			
Hospital and Rehabilitation Centre	100		100
Medical and Rehabilitation Services	8,555		6,628
Schedule 2	5,156		4,014
	13,811		10,742
Net charged to statement of income and unfunded liability Schedule 1 Accident Fund	41,313		33,396

**Workmen's Compensation Board
Superannuation Fund
Financial Statements and
Report on the Audit
Year Ended December 31, 1978**

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To the Workmen's Compensation Board and
to the Minister of Labour.

The statement of net assets of Workmen's Compensation Board Superannuation Fund as at December 31, 1978 and the statement of transactions and fund balance for the year then ended have been examined. The examination was made under my direction by the auditor appointed by the Lieutenant Governor in Council and I have relied on the work and report of the auditor so appointed. The examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as were considered necessary in the circumstances including those necessary to rely on the work and report of the appointed auditor.

In my opinion these financial statements present fairly the financial position of the fund as at December 31, 1978 and the changes in fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

A handwritten signature in dark ink, appearing to read 'F. N. Scott'.

Toronto, Ontario.
April 30, 1979.

F. N. Scott, F.C.A.,
Provincial Auditor.

**Workmen's Compensation Board
Superannuation Fund
Statement of Net Assets
December 31, 1978**

Assets (Liabilities)	1978	((\$000's))	1977
Cash	78		272
Investments — not in excess of amortized cost	73,036		63,432
Accrued interest and dividends	1,229		1,165
Accounts receivable (accounts payable)	150	(457)
	74,493		64,412

See accompanying notes.

On Behalf of the Fund

Michael Stan

Chairman

[Signature]

Vice Chairman of Administration

**Workmen's Compensation Board
Superannuation Fund
Statement of Transactions and
Fund Balance
Year Ended December 31, 1978**

	1978	((\$000's))	1977
Contributions received			
From the Board, the Safety Association and their staffs	6,309		5,222
Interest on investments (net)	5,715		4,276
	12,024		9,498
Deduct			
Pensions paid	1,667		1,589
Contributions plus interest refunded to staff	276		237
	1,943		1,826
Increase in the fund for the year	10,081		7,672
Fund balance, beginning of year	64,412		56,740
Fund balance, end of year	74,493		64,412

See accompanying notes.

**Workmen's Compensation Board
Superannuation Fund
Notes to Financial Statements
Year Ended December 31, 1978**

1. Accounting policy

Investments are carried at amortized cost for bonds, amortized cost less principal repayments for mortgages and cost for shares and short-term paper.

2. Comparative figures

Certain of the 1977 comparative figures have been reclassified in order to conform with the current year's statement of net assets presentation.

3. Supplementary financial position information

	(\$'000's)	
Investments	1978	1977
Bonds	53,635	46,747
Mortgages	8,569	6,434
Equities	10,832	9,455
	73,036	62,636
Short term	—	796
	73,036	63,432

4. Actuarial valuation

The actuarial review of the Superannuation Fund as at January 1, 1978 as required by the Ontario Pension Commission was completed and submitted.

The aforementioned review revealed the Fund to be in a surplus position and therefore an annual supplementary contribution by the Board, as recommended in the previous review, is not required.

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Ontario.**



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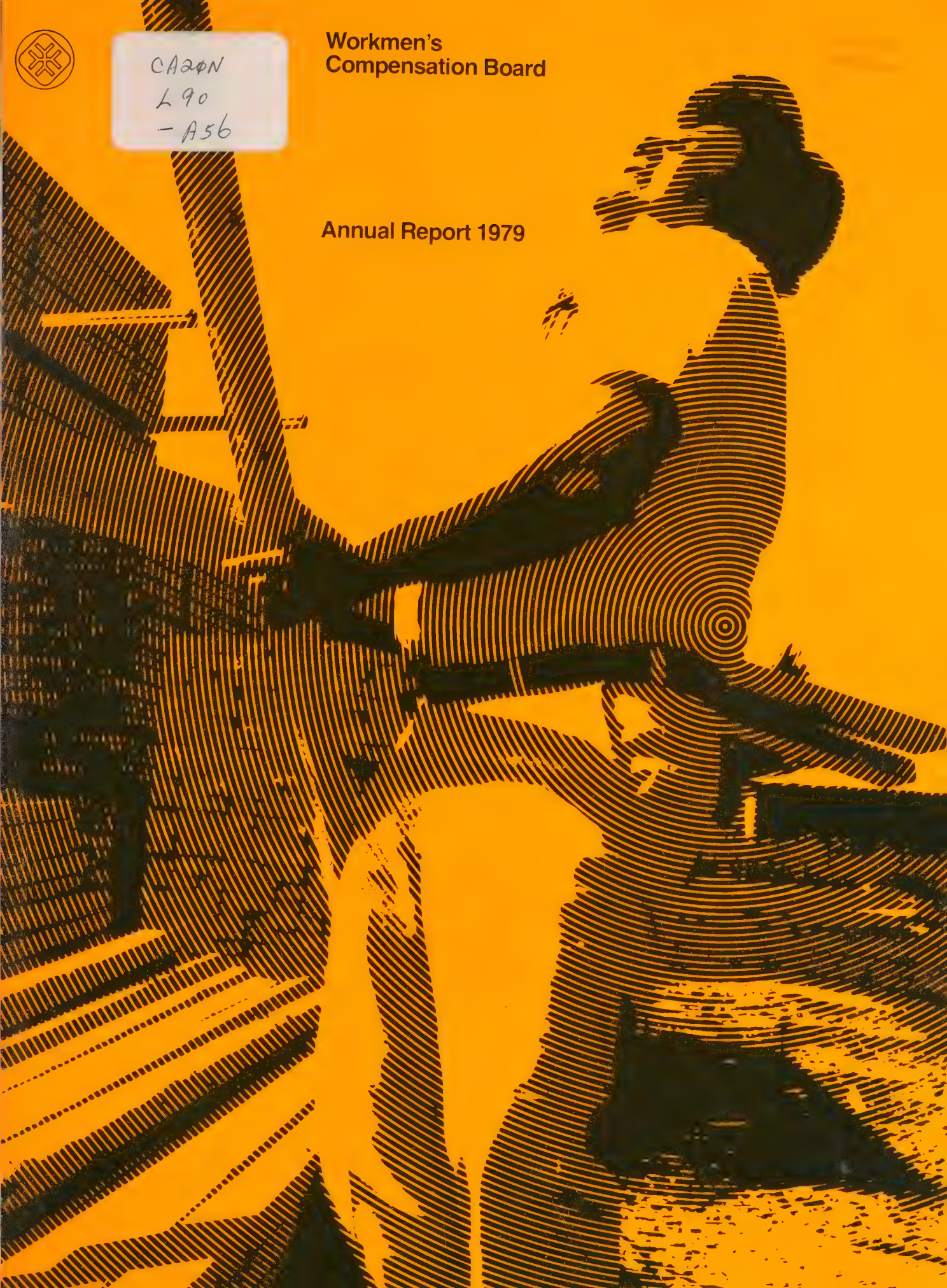
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Workmen's Compensation Board

Annual Report 1979





**Workmen's
Compensation Board**

Annual Report 1979

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The Honourable Pauline M. McGibbon
Lieutenant Governor of Ontario

The Workmen's Compensation Board is
pleased to submit its annual report of
operations for 1979.

Michael Starr
Chairman



Workmen's
Compensation
Board

2 Bloor Street East
Toronto, Ontario
M4W 3C3

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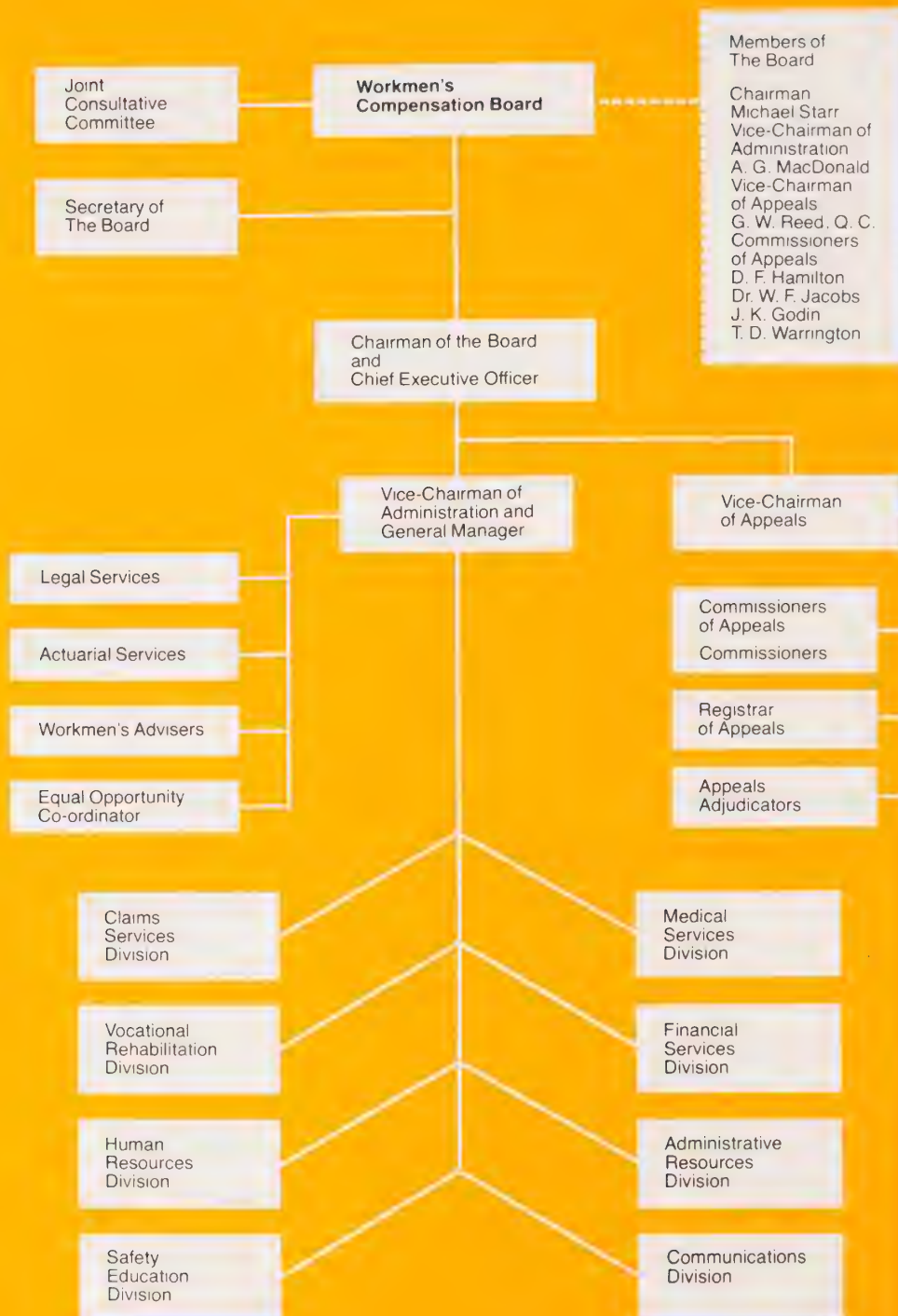
Summary of Operations

Workmen's Compensation Board Summary of Operations Year Ended December 31, 1979

	1979	(\$000's) 1978
Payroll upon which assessment revenue was based	*\$30,600,000	\$27,500,000
[Incidents reported as work injuries	460,972	424,609]
Schedule I of the Act		
Schedule I benefits paid and awarded		
Medical Aid paid	61,117	59,198
Compensation paid	208,935	184,338
Rehabilitation paid	6,922	5,679
Pensions Awarded	111,178	89,652
	\$ 388,152	\$ 338,867
Silicosis Benefits		
Medical Aid paid	119	43
Compensation paid	118	59
Rehabilitation paid	—	—
Pensions awarded	1,153	983
	\$ 1,390	\$ 1,085
Total	\$ 389,542	\$ 339,952
Legislated Increases	190,000	270,000
Total payments and awards under Schedule I of the Act	\$ 579,542	\$ 609,952
Schedule II of the Workmen's Compensation Act and Federal Government Employees Compensation Act		
Schedule II benefits paid		
Medical Aid paid	6,914	6,416
Compensation paid	13,992	11,915
Rehabilitation paid	321	295
Pensions paid	13,711	14,255
	34,938	32,881
Compensation paid directly by Schedule II Employers	11,688	9,374
Total benefits paid under Schedule II	\$ 46,606	\$ 42,255
Awards and payments (exclusive of legislative increase above)	\$ 436,148	\$ 382,207
Legislated increases	\$ 190,000	\$ 270,000
Awards, payments and legislated increases	\$ 626,148	\$ 652,207

*Estimated adjusted payroll

Organizational Chart



Service and benefits improved for Ontario workers at home and abroad

Legislative amendments increasing the benefits paid to injured workers and their dependants were among the major concerns of the Corporate Board during 1979.

Members of the Board—usually referred to as the Corporate Board to distinguish it from the Workmen's Compensation Board as an organization—are appointed by the Lieutenant Governor in Council. Responsible for all the WCB's policies and programs, the Corporate Board consists of the Chairman, who is the chief executive officer of the Board; the Vice-Chairman of Administration, who is the chief administrative officer and general manager; the Vice-Chairman of Appeals, and four Commissioners of Appeals.

Throughout 1979, the Board maintained contact with the Ministry of Labour at regularly scheduled meetings and also met with the Minister, as required, on particular issues.

As a body corporate, the Board met formally on 36 occasions. In addition, Board members, collectively or singly, continued their traditional practice of meeting with organized labour, employer and trade associations, the professions, members and committees of the legislature, the Ombudsman, and other individuals and groups, to discuss matters relating to The Workmen's Compensation Act or arising from various studies concerning the trends in compensation philosophy and administrative practices.

In regard to the December 20, 1979 amendment to the Act, which increased various benefits payable to injured workers and their dependants, the Board staff and its Joint Consultative Committee provided and analyzed various data as required. (Details of the amendments are summarized in the section on Claims Services.)

For employers with assessments of \$500 or more, the Board introduced a system of quarterly payments of their annual billing.

Following a study regarding decentralization of the claims adjudication function, the Board in December 1979 authorized the implementation of a pilot project at its Sudbury and London area offices.

In January 1979 letters of intent were exchanged between the Minister of Labour and the Italian Under-Secretary for Immigration regarding a reciprocal agreement with the Italian compensation board (INAIL). Negotiations continued throughout the year, with three visits to Canada by Italian officials and a visit to Italy in July by a delegation from the WCB. The agreement, to be signed in 1980, will provide medical examinations and treatment for Ontario claimants residing in Italy, and vice-versa.

The Management Committee of the Board, consisting of the executive directors of the operating divisions and chaired by the Vice-Chairman of Administration, held 29 formal meetings and met on many other occasions, as necessary, to handle special tasks and projects. As members of the Management Committee or the Systems Development Steering Committee, the executive directors reviewed and developed recommendations and plans for various new systems, policies and procedures for presentation to the Corporate Board.

The Joint Consultative Committee held 13 meetings in 1979. The committee and its various subcommittees provided valuable views and proposals for changes in the current Experience Rating Plan for employers—a matter now under study. They also contributed to discussions of the white paper on "Current Concerns in Workmen's Compensation", tabled in the provincial legislature by the Minister of Labour.

Italian and WCB officials met to discuss a reciprocal agreement. From left, Dr. G. Piccinini of INAIL; Mr. M. Cappetta of the Italian Embassy in Ottawa; Mr. A.G. MacDonald, WCB Vice-Chairman of Administration; Mr. R. Lofranco and (standing) Dr. W.J. McCracken of the WCB.



The Appeals System

At both levels of appeals, hearings reached an all-time high

Appeals adjudicators and the WCB appeal boards set all-time records in 1979 for the numbers of cases they heard.

Cases heard by the adjudicators totalled 2,795, an increase of slightly more than 3 percent over the 1978 total. At the same time, the appeal boards' hearings increased by 13 percent, to 1,577. Taken together, the 1979 figures represent an increase of almost 7 percent over the comparable total for 1978.

At both levels of appeal in the two-level system, caseloads were relatively light at the beginning of the year, then built almost steadily for eight months, peaking in August and declining in the final four months of the year. This seasonal increase in temporarily unresolved cases occurs each year because many persons needed at the hearings are unavailable during plant shutdowns and vacations.

Experience shows that the optimum scheduling time for appeals adjudicator hearings is within five weeks, which allows proper preparation time to all parties without frequent requests for postponements. Optimum scheduling time for appeal board hearings is considered to be within four weeks. By year-end, scheduling time was near these levels (six weeks and four-and-a-half weeks, respectively).

Among its other activities in 1979, Appeals provided a total of 2,050 summaries of information (containing a statement of the information on file upon which a decision is based).

To meet growing requirements the appeals group installed six word-processing units which, since they went on stream in May, have made it possible to provide speedier and more accurate service.

Of the appeals decided by the adjudicators in 1979, more than 43 percent were allowed or partially allowed. The appeal boards allowed or partially allowed almost 40 percent of the cases they resolved.

The great majority of appeals are initiated by claimants, although anyone affected by a Board decision has the right to appeal it. In 1979, 7.6 percent of the appeals at the two levels were initiated by employers. However, employers were present at over 40 percent of the hearings at both levels.

For the cases heard by the adjudicators in 1979, the average time elapsing from the date of hearing until the mailing of the decision was 25 calendar days. For cases heard by the appeal board, the average was 58 calendar days.

Decentralized claims adjudication to begin in Sudbury and London

In 1979, 460,972 claims were reported to the Claims Services Division, an increase of 8.5 percent over the 1978 total. This increase meant that initial adjudicators were faced with caseloads in excess of the optimum. Through the realignment of senior staff, however, this group managed to cope with the additional workload while maintaining the quality of their service to injured workers.

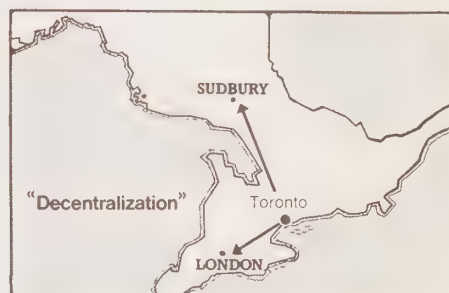
Meanwhile, it was found necessary to increase the number of adjudicators handling continuing claims. This was the only way to reduce their average caseload while ensuring that a high quality of service would be maintained.

Three measures introduced in 1978 to ensure quality—quarterly reviews of active claims, monitoring of staff performance, and work-inspection programs—were continued in 1979.

Plans were announced in mid-December for a pilot project to decentralize claims adjudication and related functions in WCB area offices in Sudbury and London. The decision to go ahead was made after analysis of

a commissioned study by a group of independent consultants. The decentralization project will be the responsibility of an implementation committee chaired by the vice-chairman of administration, and a full-time implementation co-ordinator was appointed, to start in January, 1980. Work on the project was to begin early in 1980, and target dates for completion were set—November 3, 1980 for Sudbury and December 1, 1980 for London. Decentralization is seen as a means of emphasizing the WCB's presence in the communities concerned, of increasing personal contact with new and established clients, and of providing speedier service to injured workers and employers alike.

Planning for decentralized claims adjudication gets underway.



In response to the need for service in languages other than English, members of the claims information and counselling services branch in various parts of the province served as interpreters, working in a total of eleven languages besides English. Within the branch, there were 30 staff members speaking French, 25 speaking Italian, five each speaking Portuguese and Spanish, two speaking German, and one each speaking Dutch, Greek, Hungarian, Lithuanian, Polish and Serbian. Staff from the claims adjudication branch and from other divisions who speak languages other than English are also available to act as interpreters when necessary.

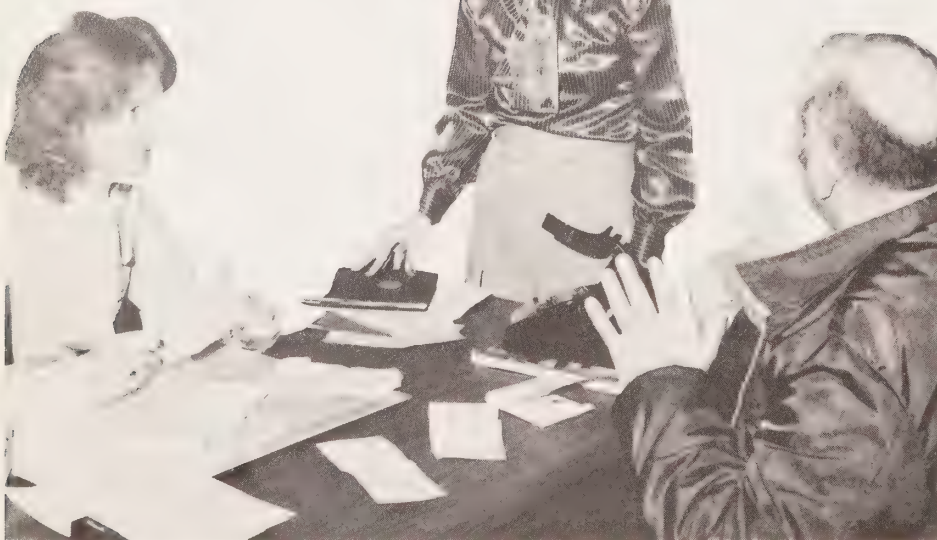
Late in the year, two Toronto information centres were phased into one storefront operation on St. Clair Avenue West, where new Canadians speaking Italian, Portuguese and Spanish could make enquiries and receive answers in their own languages. The information process in the new office is expedited by means of a visual display terminal connected to the computer at head office.

The volume of claims investigations, having shown an increase of more than 27 percent in 1978, rose substantially again in 1979, this time by 16 percent, bringing the total number of 1979 investigations to 11,935, compared to 10,276 for 1978.

In its continuing program to keep interested persons informed of the Board's operations, staff of the Claims Services Division accepted 1,031 speaking engagements made contact with the news media on 107 occasions and took part in interviews or other discussions with members of the press, radio and television on 57 occasions.

As in previous years, staff members were involved extensively in training programs designed to increase their skills and improve their performance in their jobs. As part of this program, many claims adjudicators visited industrial plants in 1979 to increase their knowledge of industrial operations. This program will be intensified in the immediate future by means of films and talks by experts in the work methods and operations used in various kinds of plants.

Staff interpreters assist claimants



Michael Starr opens new storefront office.



Working closely with the Medical Services Division, Claims Services helped establish guidelines for cases of alpha 1 antitrypsin deficiency leading to pulmonary emphysema. The division contributed as well to revisions made by the Medical Services Division in guidelines concerning hearing loss and tinnitus (ringing or buzzing in the ears) and those concerning lung cancer due to exposure to radon gas and radon daughters.

In its 1978 annual report, the WCB referred to guidelines it had approved for adjudicating claims by miners suffering from a vibration-induced ailment known as white finger disease. This is a condition that occurs after repeated use of hand-held

vibrating tools and the jack-leg drills employed by miners. In 1979, 118 such cases were claimed and 115 permanent disability awards were made.

Among many administrative improvements made within the division in 1979 was the introduction of a simplified version of a form called the Employer's Report of Accidental Injury and Industrial Disease, commonly known as Form 7. The new version features a design that makes it possible for the employer to complete the form easily and accurately and is accompanied by a guide containing answers to the questions most likely to arise when an accident report is being filed. Supplies of the new Form 7 were sent to 160,000 Ontario employers, who were urged to begin using them immediately in the interests of improved efficiency.

In co-operation with the Medical Services Division, Claims Services contributed to the development of a booklet on Occupational Diseases, written to inform employers, workers and other interested persons about dangerous substances that may be encountered in the workplace.

Highlights of increases in WCB benefits

A legislative amendment passed on December 20, 1979 brought increases in WCB benefits. The new amounts are summarized below.

- Ceiling on earnings covered: \$18,500.
- Temporary total disability benefits, weekly maximum (for accidents occurring on or after July 1, 1979): \$266.83; weekly minimum, \$129 or earnings, if less. For accidents occurring on or after July 1, 1978: weekly minimum, \$117 or earnings, if less.
- Adjustment to temporary disability benefit: 10 percent increase after receiving benefits for twelve consecutive months, for those not working and still in receipt of benefits (once-only adjustment), effective July 1, 1979.
- Permanent total disability pensions, monthly maximum: \$1,156.25; monthly minimum, \$571. For the period July 1, 1978 to June 30, 1979 the monthly minimum was increased to \$519.
- Fatal benefits—immediate lump sum (for deaths occurring on or after July 1, 1979): \$1,000.
- Funeral costs: \$1,000.
- Dependent spouse, monthly pension (retroactive): \$372 as of July 1, 1978; \$410, July 1, 1979.
- Dependent children, monthly pensions (retroactive): \$101 as of July 1, 1978; \$112, July 1, 1979.
- Dependent orphans, monthly benefits (retroactive): \$115 as of July 1, 1978; \$127, July 1, 1979.
- Other dependents' benefits, monthly ceilings (retroactive): \$372 as of July 1, 1978; \$410, July 1, 1979.
- Annual clothing allowances (effective July 1, 1979): for person wearing artificial leg or permanent back or leg brace, \$240; artificial arm, \$120.



These three forms—from left, the accident report, treatment memorandum and doctor's first report—get a claim with the WCB underway.

A Study in Responsiveness

A study of the time it took for the Claims Services Division to issue the first compensation cheque, from the date the Board was notified of the accident: 1979 compared to 1978*

Uncomplicated claims (instituted on the employer's report)

Percentage of Claims Paid Within...	1979	1978
3 working days	91.4	49.7
4 working days	94.2	81.6
5 working days	96.5	95.2

Claims instituted on the doctor's first report (requiring additional reports from employer/ employee)

Percentage of Claims Paid Within...	1979	1978
10 working days	63.4	52.1
20 working days	84.8	80.2
30 working days	93.3	87.0

Complicated claims (requiring enquiries or full field investigations)

Percentage of Claims Paid Within...	1979	1978
10 working days	19.9	5.2
20 working days	54.3	35.8
30 working days	75.4	67.0

*Claims excluded from the survey: 1) Claims in which there was a change in status from "no lost time" to "lost time"; 2) hernia claims; 3) industrial disease claims.

Annual Comparison of Claims Received

Number of Claims:

1977	423,767
1978	424,609
1979	460,972

Of the total number of claims received in 1979, approximately 60 percent were for "medical aid only" (no lost time) and 40 percent were for "lost time".

**Examples of Claims Policy
Reviews—
Completed During 1979**

**Review of Section 19—Application to
awards under Section 42**

To review operating procedures with respect to not honouring assignments covering permanent disability benefit arrears and confirm that arrears are not assignable.

Administrative guidelines for the adjudication of claims where the employee takes a vacation while in receipt of compensation benefits

To ensure consistent, fair and equitable administration of claims for benefits during a period of temporary disability where an employee takes a vacation.

Development of a revised policy statement for the administration of claims where the employee ceases to reside in Ontario

To revise policy guidelines to ensure proper administration of claims is established before the employee leaves the Province of Ontario.

Policy for coverage for physical fitness tests

To develop guidelines for the adjudication of claims where the employee is injured while participating in voluntary physical fitness tests.

Protection of the Act for truck drivers and sales personnel

To develop policy guidelines for the adjudication of claims where the conditions of employment require the employee to travel away from the employer's premises.

Policy guidelines for the adjudication of claims involving premature termination of pregnancy

To establish guidelines where premature termination results from trauma, exposure to an industrial substance or contact with a disease.

Review of policy and procedural guidelines—Claims arising out of employment for fire fighters, process servers and police

To review and update policy and procedural guidelines for determining if an accident arose out of or during the course of employment for fire fighters, process servers and off-duty police.

Revealing studies and precedent-setting guidelines contributed much to the year's achievements

The amputation or accidental loss of limbs, the problems of back injuries, and the mysteries of pain were all subjects of major projects in the Medical Services Division in 1979.

The division was also responsible for significant work in setting guidelines for claims involving lung diseases contracted by workers in foundries and smelters.

In regard to the problems of severed limbs, two studies were completed and two research projects were begun during the year:

- a one-year study showed that the new myoelectric upper-limb prosthesis is valuable not only for its psychological and cosmetic functions but also for its practical worth, since it can markedly enhance the patient's ability to carry out tasks at work and at home.
- a second study, also completed in 1979, revealed encouraging information about the possibilities for replantation—the process

of reattaching limbs that have been partially or completely severed and have thereby lost blood supply and nerve supply while sustaining bone fractures. The study showed that surgical techniques and microsurgical instruments make it possible to reattach many such limbs and re-establish the blood supply. It was also found that, given properly controlled conditions and a surgical team well trained in the right procedures, the injured limb can recover a significant degree of its function.

- in another one-year study, begun in mid-1979, the division's medical researchers are evaluating the benefits of undertaking revisions of limb amputations so that the limbs can be fitted with more efficient types of artificial appliances.
- the usefulness of grafting skin onto the ends of amputation stumps is the subject of a study also begun in mid-1979. The researchers hope that such grafts will make the remaining portion of the limb more useful, make the fitting of a prosthesis easier, and thus bring about higher degrees of rehabilitation and function.

Back Education Program team includes physicians, a physiotherapist, psychologist, occupational therapist and remedial gymnast



In regard to back problems, the division made progress with three important and practical projects:

- through development of a research protocol, the groundwork was laid for research to evaluate cases of back injuries where disabilities last twelve weeks or longer. The researchers hope to glean information that can be used to help prevent such cases from becoming chronic and complex and causing needless suffering and long-lasting disability.
- phase III of the division's back research program continued at the Hospital and Rehabilitation Centre. Scheduled for completion in October 1980, this phase will be followed by an analysis that is expected to indicate better ways of treating people with injured spines.
- the Back Education Program, a course of instruction for patients with injured backs, became fully operational in 1979. During the year, 705 patients received this instruction. The development phase of a preventative program for industry, drawing upon the experience of the hospital program, was completed (see also the section on the Communications Division).

The division's medical researchers also hope to develop some definitive information

about pain, through the use of the Pain Identification and Measurement Module established in 1979. Their aim is to identify the origin of a given pain by measuring cortical-evoked responses recorded by an electroencephalograph averager. In addition, the division has recently begun a study of the use of biofeedback in the treatment of chronic pain. To be completed late in 1981, this two-year project is believed to be the first study of its kind undertaken anywhere in the world.

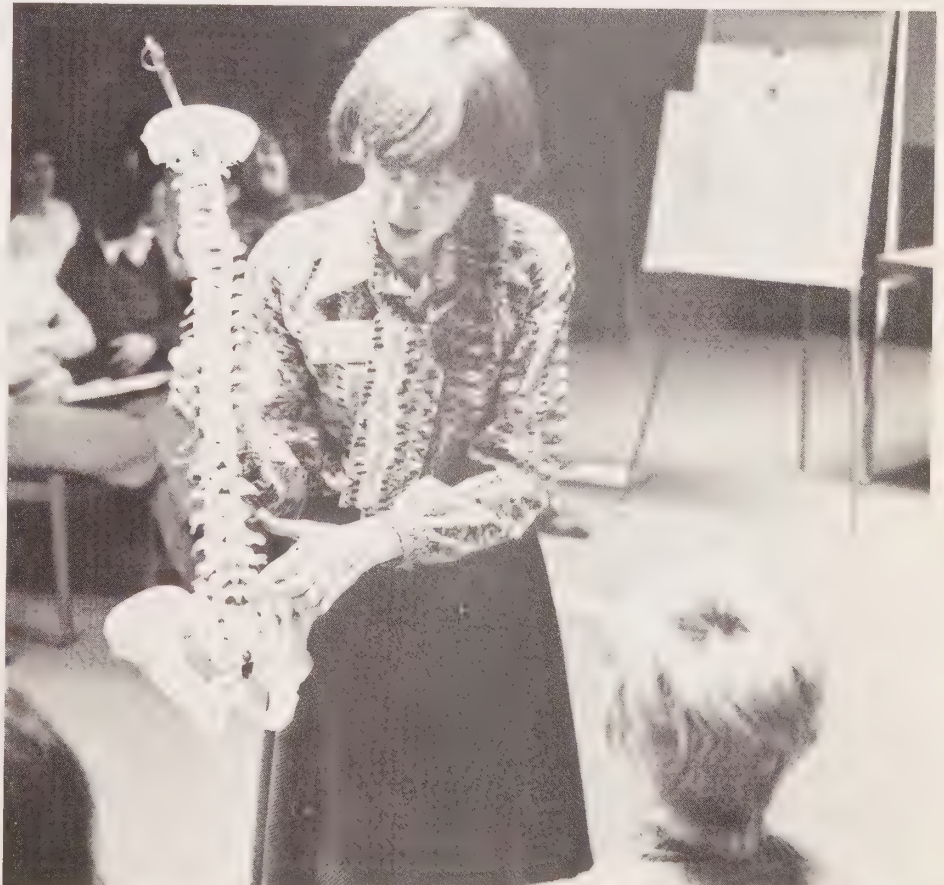
In concert with the Claims Services Division, Medical Services broke new ground in 1979 by establishing guidelines for claims involving lung disease contracted in foundries and smelters. As it has done on eight other occasions, in regard to various diseases, over the past four years, the WCB set a world-wide precedent in 1979 by announcing that it would accept lung cancer claims on behalf of foundry workers at the Dofasco steel foundry in Hamilton. The WCB deci-

sion to issue the guidelines affected 27 claims, of which 23 were confirmed as cases of primary lung cancer.

The guidelines for claims based on cases of lung cancer contracted at Dofasco apply only to that one foundry. The decision to develop the guidelines was prompted by results of a study conducted by Dofasco and published in December 1977. The study showed that the lung cancer death rate among the company's foundry workers between 1967 and 1977 was twice as high as among the general population. The victims were people who had evidently been exposed to some still-unidentified, airborne, cancer-producing agent for 20 years or more. Recent tests have shown that cancer-producing agents do not now exist in the foundry air in dangerous quantities, and the conclusion is that changes in foundry techniques, processing materials and other factors such as improved ventilation systems are responsible.

Live demonstrations form part of Back Education Program.

Dr. W.J. McCracken, executive director of Medical Services Division, provides details of foundry study to reporter.



The Dofasco findings naturally gave rise to the question whether similar conditions exist in other Ontario foundries. To learn the answer, the WCB commissioned a study of 10 foundries. These were selected not because any cancer-related health problem was suspected but because, as processors of seven metals and users of eight binding systems, they made up a representative sampling of all Ontario foundries.

This study, begun in November, is expected to take a year. When its results are known, the Board will be in a position to develop guidelines for lung cancer claims at foundries other than Dofasco's Hamilton plant, if this is indicated.

In a separate policy announcement later in the year, the WCB became the first compensation board to establish guidelines for claims from smelter workers suffering from chronic obstructive lung disease, which is a specific type of bronchitis.

Another world-wide precedent was set by the WCB in 1979, with the Board's decision to establish guidelines for compensating smelter workers suffering from chronic obstructive lung disease. Until then, some compensation had been paid for this disease in Ontario and elsewhere, but only in special circumstances. The guidelines apply to workers exposed to sulphur dioxide and dust containing sulphur dioxide formed during the smelting process. Even now, the relationship between smelting and this form of chronic bronchitis has never been clearly demonstrated. The division has established, however, that some people with this disease have had their conditions aggravated by exposure to sulphur dioxide in smelters, and that in other persons, the disease has become evident as a result of work in smelter operations. Part of the difficulty of proving cause and effect lies in the fact that chronic obstructive lung disease may be produced by any one of many different

agents, including cigarette smoke. The new guidelines specify that this disease is compensable when a worker has been repeatedly or continuously exposed to sulphur dioxide of more than five parts per million over a period of 20 years or longer.

Guidelines were also established for one other disease and revised for two others. In conjunction with the Claims Services Division, guidelines were established for cases of alpha 1 antitrypsin deficiency leading to pulmonary emphysema. The guidelines revised during the year were those affecting claims for lung cancer due to exposure to radon gas and radon daughters, especially among uranium miners; and those affecting industrial hearing loss and tinnitus, which is a ringing or buzzing in the ears.

As part of its continuing policy of upgrading its communications with the professions most concerned with workmen's compensation claims and awards, the division in 1979:

- revised its Medical Handbook;



- revised and distributed the WCB Schedule of Benefits for Physicians; and
- revised and distributed its Schedule of Benefits for chiropractors.

For the benefit of employers, workers and other interested persons, the division worked with Claims Services to develop a booklet on Occupational Diseases, which is intended to make people more aware of the dangerous substances that may be encountered in the workplace.

Meanwhile, as part of its continuing commitment to evaluate psychological information in an accurate and systematic manner, the division in 1979 compiled and evaluated more than 650 papers from world literature dealing with post-traumatic neurosis.

Work continued throughout the year toward development of a new Medical Aid Computer System, which will reduce the time needed to process payments for medical

aid, shorten the time it takes to respond to enquiries from treating agencies and injured workers, and improve Medical Aid Services' ability to monitor and control treatment received by injured workers. This new system was expected to become operational early in 1980.

1979 was one of several recent years in which the division's workload increased. Between 1978 and 1979, the demand for services increased by an estimated 10 percent. Over the six-year period from 1974 through 1979, demands on the division's services increased by 60 percent.

In an analysis of its capacity to deal with patients in languages other than English, the division found that the hospital staff, including four full-time interpreters, can converse fluently in 30 languages. In 1979, there were 4,099 occasions when patients required interpreters — an average of approximately two occasions per patient.

The breakdown for that period showed that of these, 2,597 sessions were in Italian, 1,089 in Portuguese, 538 in French, 433 in Spanish, 302 in Greek, and lesser numbers took place in each of nine other languages.

WCB Hospital and Rehabilitation Centre

Admissions to the Hospital and Rehabilitation Centre (Full treatment program)

1977	7,296
1978	7,578
1979	8,084

Admissions increased by 10.8 percent in the three years ending in 1979.

A technician explains the function of a personal sampling device used for the WCB's foundry research project.



Aggressive new measures helped produce record results in rehabilitation

Several imaginative and aggressive new measures to assist disabled workers were initiated by the Vocational Rehabilitation Division in 1979, and these contributed to the achievement of new records in virtually every major area of the division's activities.

The new measures included "blitz"-style campaigns to promote the hiring of the disabled by employers in selected communities, and special programs to encourage the rehabilitation and placement of disabled workers belonging to ethnic minorities.

In a typical "blitz", a team of eight WCB specialists spent five days canvassing hundreds of employers in Kitchener-Waterloo, asking them to co-operate in hiring Board clients whose injuries had left them incapable of returning to their old jobs.

Similar campaigns were conducted in Sudbury, London, and Ottawa. The four communities were chosen because, in the division's judgement, its rehabilitation program had a much greater potential in those locations than had been realized in the past.

The canvassers worked hard to dispel the common assumption that hiring a disabled person is an act of charity. They emphasized that, on the contrary, an employer who hires such a person through the WCB stands to benefit in at least three ways: WCB counsellors handpick each candidate to suit a specific job, saving the employer the cost of screening applicants; the WCB finances the costs of assessing the worker's performance on the job; and, if necessary, the Board will subsidize the cost of on-the-job training.

The campaigns produced immediate results that contributed in no small way to the increase in the number of job placement opportunities brought to light in 1979. The

division is convinced that other benefits, less measurable but nonetheless significant, will accrue in the long run as a result of having made employers in those four communities more aware of the hire-the-rehabilitated program and its advantages. On the basis of their success in 1979, the campaigns are being continued and expanded in 1980.

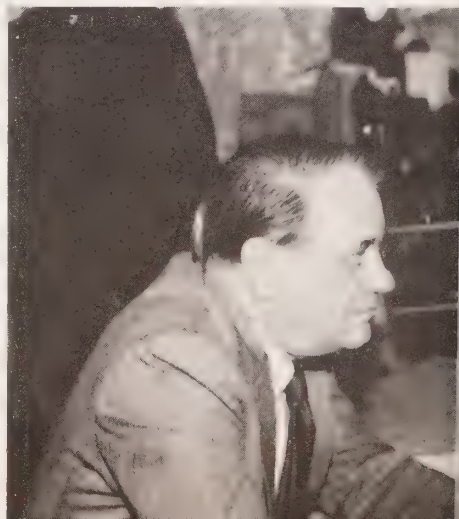
A second innovation in 1979 was a special project carried out in Metropolitan Toronto to locate Italian agencies and employers willing to participate in the rehabilitation of Italian workers, especially those with little or no facility in the English language. This project reflected the division's (and the Board's) increasing awareness of the needs of ethnic minorities among the work force. The Italian community was given the most attention because it represents the largest ethnic population in Metro Toronto.

This special project proved to be most productive, with leaders of the Italian community demonstrating their willingness to become involved in the division's programs.

A further effort towards the rehabilitation and placement of workers from Italy and other non-English-speaking countries was made when, with encouragement from the division, the COSTI organization developed and set up a workshop for sheltered employment and placement of members of ethnic minorities. Co-operation between WCB rehabilitation counsellors and COSTI placement counsellors has brought about an increase in job placement of foreign-language workers in the community.

To strengthen its ties with the ethnic minorities, the division continued in 1979 to increase the number of its rehabilitation counsellors proficient in languages other

"Blitz" campaigns involved team of WCB employment specialists, press conferences, presentations to local employers.



than English. During initial training of counsellors and in subsequent refresher programs, considerable emphasis was placed on the diversity of the cultural backgrounds of clients that counsellors would deal with when assigned to caseload work.

With 1979 as its first full fiscal year as a division separate from Medical Services, Vocational Rehabilitation expanded its Employment Services Section, which proceeded to obtain data on 2,868 job opportunities — more than twice as many as in 1978. Utilization of such opportunities also more than doubled in 1979, as 859 injured employees returned to the work force through this process.

Division staff placed, or were instrumental in placing, 2,910 workers in jobs in 1979, compared to 2,571 in 1978, and just over 2,200 in 1977.

Other key statistics for 1979:

- 1,953 training programs for injured workers unable to return to their old jobs were begun, and 1,453 were completed.
- almost 2,400 injured employees undertook assessments of their working capacity (an increase of 35 percent over 1978).
- service was completed in the field for 5,226 cases, an increase of 108 over 1978. In addition, 5,628 cases remained active at the year's end.
- 576 cases could not be rehabilitated because of geographic isolation, total disability or other limitations.
- 30,201 interviews were conducted by the division at head office, area offices and the Hospital and Rehabilitation Centre in Downsview.
- 851 cases were referred to the division's

social workers, a 17 percent increase from 1978.

- new field referrals requiring assistance in returning to suitable work increased to 4,086 from 3,627 in 1978.

In keeping with its new status as a separate division, Vocational Rehabilitation carried out several significant changes in organization and procedures, all aimed at increasing its efficiency, its capacity for more effective service, or both:

- an extensive review of the division's operational procedures at the Hospital and Rehabilitation Centre led to procedural and staffing changes that have freed some resources for use elsewhere in the division's operations while enabling the division to maintain a high level of service at the Centre.
- the division continued to place strong emphasis on staff training and development throughout 1979. The addition of a second training specialist made it possible to intensify this program. Counselling staff were trained in proven methods of job search so that they could teach these techniques to injured workers.
- the division's decision-making process was strengthened in several ways: through the adoption of a new delegation-of-authority policy, simplification of work methods, and through completion of the Vocational Rehabilitation Manual, which outlines divisional policies. This manual is available to the public through the Ontario government bookstore.
- implementation of a word-processing system, designed to permit the more rapid transmission of information needed by Claims Services and other divisions, was begun in the fall of 1979 and scheduled for

completion in mid-1980.

- work was begun on the design of a computer program to provide earlier identification of cases requiring vocational rehabilitation assistance; to match abilities and skills of workers with requirements of job opportunities; to provide payment support services; and to assist with quality control measures.
- a labour specialist was added to the employment services section, to act as liaison with labour groups in promoting the hiring of rehabilitated workers, and to seek endorsement of the vocational rehabilitation program.

Three-year comparison of rehabilitation statistics:

Referrals for social work assistance

1977	533
1978	725
1979	851

Number of workers rehabilitated*

1977	2,400
1978	2,800
1979	3,200

Interviews conducted by the division

1977	25,578
1978	28,496
1979	30,201

*Includes: returned to former employment; new employment; self-employment; achieved financial self-sufficiency through other means.



Back Education, community blitzes and foundry studies kept communicators busy

The WCB's new Industrial Back Education Program (IBEP), community-wide blitzes to promote the hiring of the disabled, and the newly initiated research study of 10 Ontario foundries were just three among many WCB activities calling for the specialized skills of the Communications Division in 1979.

The division also made a formal move into ethnic community relations with the establishment of a section specializing in communications with Ontario's minority language groups.

To promote the hire-rehabilitated-workers campaigns (described in the Vocational Rehabilitation Division section of this report), the Communications Division:

- arranged receptions in each of the four communities, for representatives of business, government and labour;
- organized news conferences for local media;
- placed advertisements in local media;
- transported and manned the Vocational Rehabilitation display; and

- arranged speaking engagements and media appearances for the chairman and Board staff.

In the project to study conditions in 10 Ontario foundries (described in more detail in the Medical Services Division section), the Communications Division:

- organized information sessions featuring a slide-and-tape presentation for representatives of management and workers at the participating foundries;
- organized news conferences on the project;
- produced a brochure describing the study and distributed it to workers at the foundries; and
- made presentations on the project to two union groups, 12 groups of Board personnel, and the staff of McMaster University's occupational health program.

The creation of the division's ethnic relations section made it possible for the WCB to strengthen its relations with the ethnic community. The new section made extensive use of Toronto's Italian news media to



disseminate information about the WCB and its activities. The section's co-ordinator taped 50 "voice editorials" on various aspects of the Board's work, for radio station CHIN, Toronto. Section staff also appeared on CHIN for eight "open mike" shows on various WCB topics and made a total of 14 television appearances on the Global network and Channel 47, Toronto's multicultural station.

Staff of the ethnic relations section also met with representatives of the Italian-language media as a group on 12 occasions and with individual reporters many more times. They gave speeches and answered questions at 12 meetings of community groups. Three issues of a new Italian language newsletter providing information about the Board were produced during the year.

Community Study

The WCB Foundry Study:

Why is the study being done?

A study has been done by the WCB to find out how many people are injured on the job and how many are disabled. The study is being done to help the WCB to find out how many people are injured on the job and how many are disabled. The study is being done to help the WCB to find out how many people are injured on the job and how many are disabled.

Does this mean my job will damage my health?

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Where is the new study being done?

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What happens after the sampling is completed?

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Would taking part in the sampling be a risk to my health?


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Who is doing the study?

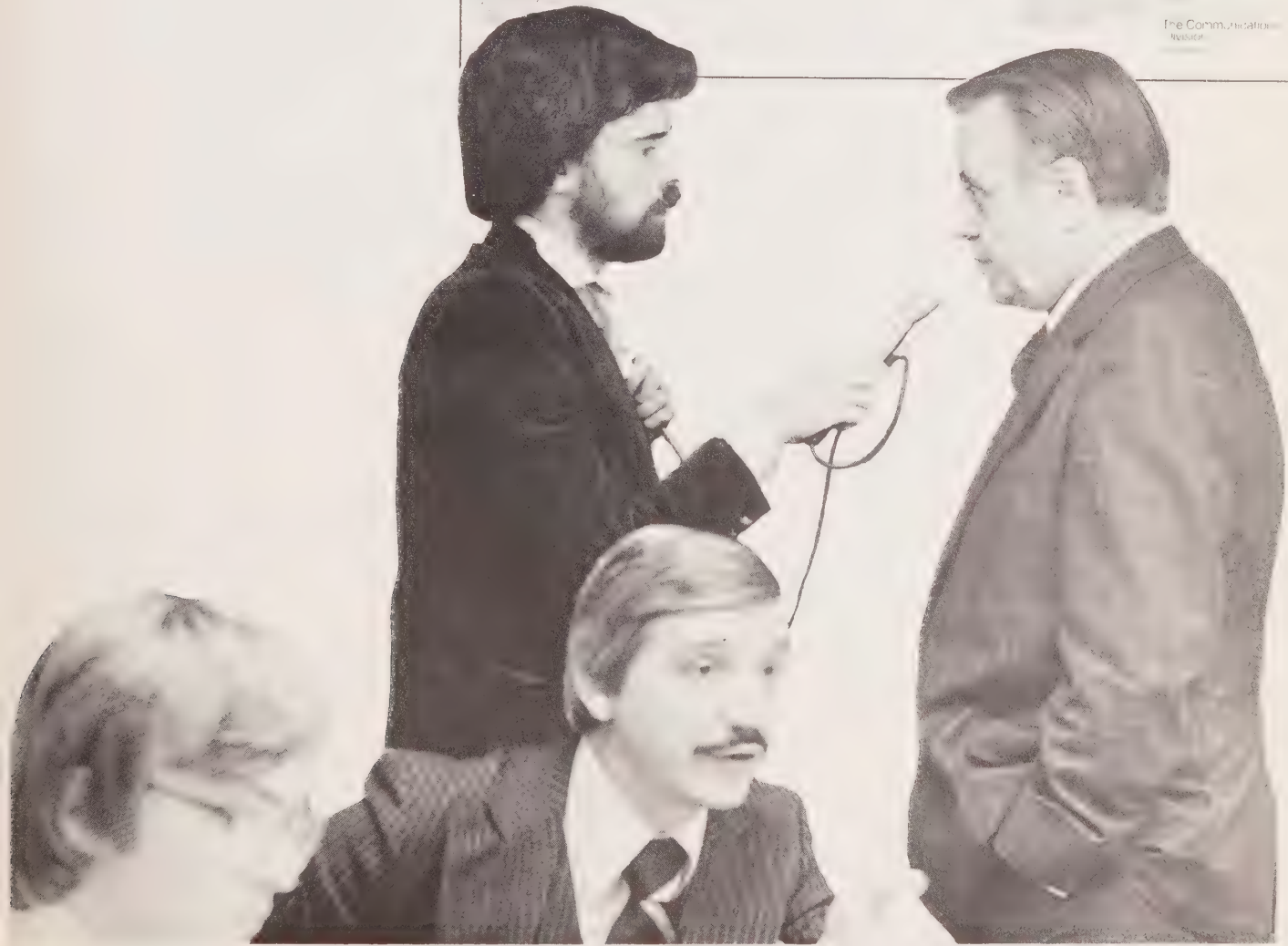
Who is doing the study? Who is doing the study? Who is doing the study? Who is doing the study? Who is doing the study?

Is this study the same as the one at Dofasco?

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The Communications Institute



Working with the Medical Services and Safety Education divisions, Communications staff completed the planning and production phases of the Industrial Back Education Program (IBEP). Components produced for IBEP include a series of six films directed to various audiences and totalling 95 minutes in length, a five-minute slide-and-tape show to promote the program, a 125-page programmed instruction kit, and various print support materials. By the end of 1979, dates for industrial tests of the program had been set, and IBEP was being introduced to the community.

As in previous years, the division's advertising program produced tangible results, demonstrated by research indicating a distinct correlation between WCB ad campaigns and a public awareness of the points made in those ads.

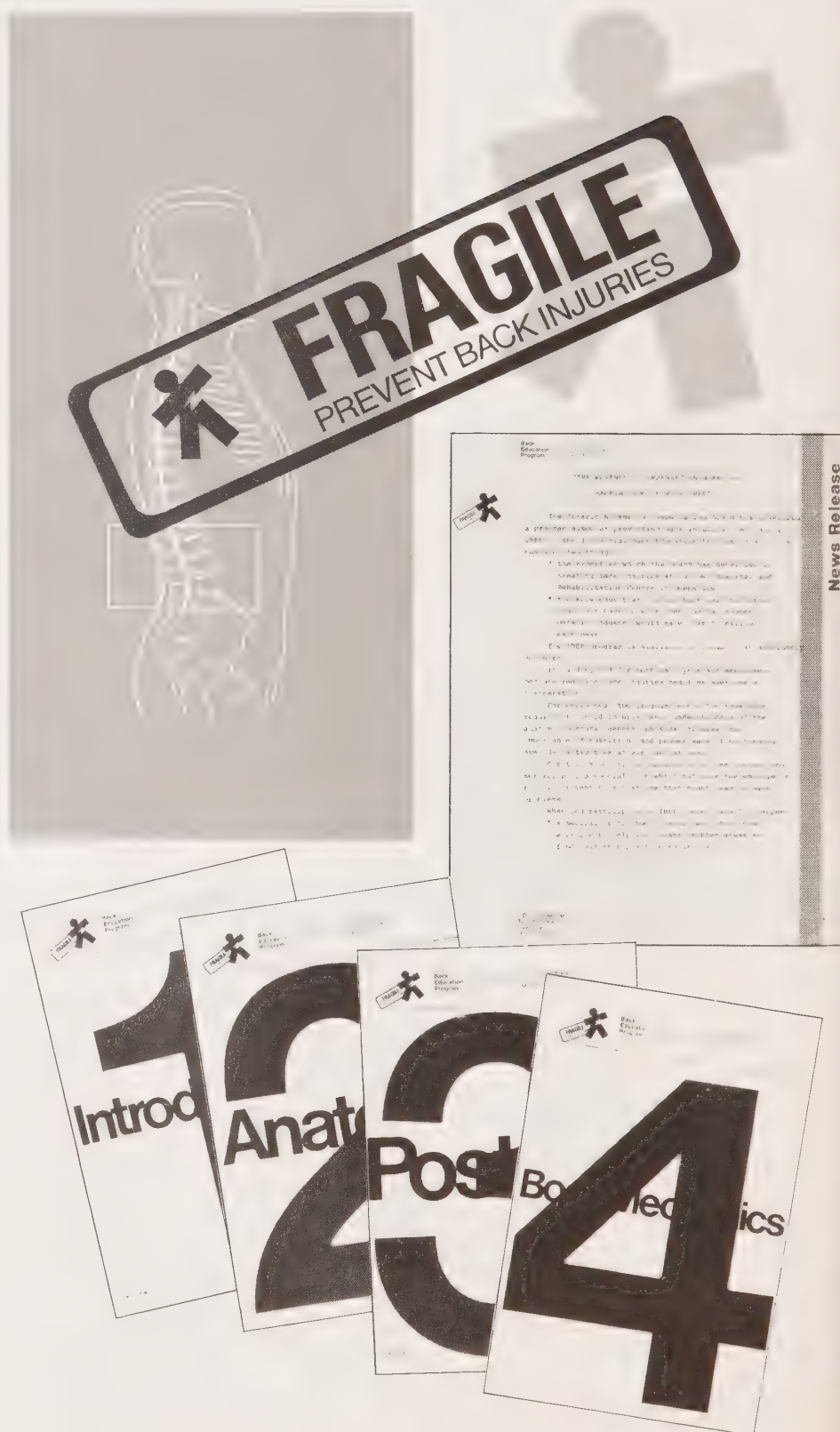
The ad campaign included province-wide distribution of television commercials on three themes: coverage under the Workmen's Compensation Act; the importance of reporting accidents properly; and the easy accessibility of the WCB.

In co-operation with area office staff, the division organized two-day visits to North Bay and Peterborough, as part of the chairman's continuing series of community visits. These occasions involved arranging news conferences, visits with WCB patients in local hospitals, meetings with the mayors of the two cities, and receptions for management and labour representatives.

Among its many activities in the publications field, the division produced revisions of five handbooks for medical practitioners and employers; an accident poster in five languages; a brochure on the WCB foundry study; and French versions of three vocational rehabilitation brochures. To publicize the opening of the Board's new Metro Toronto Information Centre, the division produced a flyer, a news release and a series of letters and posters.

In 50 days of appearances at exhibitions in Ottawa, Thunder Bay, London and Toronto, the Board's major display, co-ordinated by division staff, attracted 136,240 persons.

In a new venture in audio-visual communications, the division produced 14 taped stories about successfully rehabilitated workers. Ten of these stories were aired on commercial television stations, occupying — at no cost to the WCB — air time worth an estimated \$150,000.





Industrial safety and first aid programs received solid support from WCB specialists

Safety education, including the application of first aid, received solid support in many forms during 1979, through the varied activities of the WCB's Safety Education Division.

Some of the division's programs involved such direct action as the administering of first aid regulations and a first aid training program, and providing information, advice and educational support to industry, with special attention to industries not served by accident prevention associations.

In addition, the division functions as the Board's representative in its relations with the nine groups that make up the Council of Safety Associations, through which the WCB makes important contributions to the cause of industrial health and safety.

Among these contributions in 1979 was financial support in excess of \$15 million.

The division's projects in 1979 included these items:

- a mailing piece reminding employers of first aid regulations and the Board's training program was sent to more than 150,000 companies. Their response indicated an increased awareness of the need to provide adequate first aid facilities for their employees.
- a new procedure was introduced for indicating to each employer the number of employ-

ees in his company who are eligible for first aid training by St. John Ambulance, at the expense of the WCB. In 1979, the Board, through the Safety Education Division, paid the fees for training 15,000 employees in standard first aid and 300 in emergency first aid procedures.

- The division also continued to support a St. John Ambulance training program called Project LIFE (Learn Industrial First Aid Effectively). Employers pay the training fees for this eight-hour course, while the Board, through the Safety Education Division, pays the administration costs.

In the course of stepping up its activities, the Council of Safety Associations established several subcommittees to specialize in such concerns as back education, safety education for youth, and industrial safety statistics. The council also served as a medium through which the individual safety associations and the WCB exchanged information relating to programs of mutual concern.

For the third year, the council took part in the two-day Cavalcade of Safety, in Kitchener, where the council and its constituent associations received some useful recognition and publicity.

As in past years, participation of the individual Ontario safety associations in the Canada Safety Council (CSC) was enhanced by virtue of their being integral parts of the Council of Safety Associations. This is noticeably so in the occupational section of the CSC, where the collective views of the association have been demonstrably influential.

Council of Safety Associations

Construction Safety Association of Ontario
Electrical Utilities Safety Association of Ontario

Farm Safety Association

Forest Products Accident Prevention Association

Hospital Occupational Health and Safety Services of the Ontario Hospital Association

Industrial Accident Prevention Association

Mines Accident Prevention Association of Ontario

Ontario Pulp and Paper Makers' Safety Association

Transportation Safety Association of Ontario

Associate member:

Colleges and Universities Safety Council of Ontario



Human Resources Division

New technology affected staff, skills

The emphasis of the Human Resources Division's work during 1979 was on change—both within the division, implementing new policies, and outside, assisting other divisions.

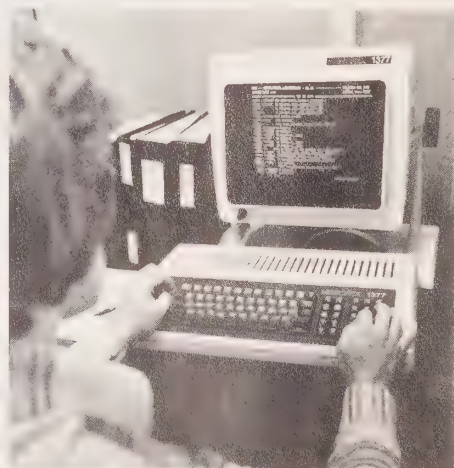
Human Resources people were actively involved throughout the year with the management and staff of other divisions that were undergoing significant changes in their operations. These changes included the introduction of word processing and new computer technology. As well as continuing its program of management skill development in staff relations, interviewing and performance review, this division designed a project management course for the new computer system and provided it to some 30 participants.

During the year, the Positive Action for Women accelerated development program underwent a name change, becoming the Equal Opportunity Program, and was expanded to include concerns for the handicapped employed at the WCB. Twenty-one handicapped applicants succeeded in obtaining positions at the Board in 1979—five more than in 1978.

Thirteen policy statements and procedures were written on various human resources matters during the year, and eleven others got as far as the working-paper stage before the year's end.

The Tuition Assistance Plan in 1979 attracted 179 employees, who enrolled in business and degree programs. A Career Planning Workbook was produced for employee use, and a 1979 Program Calendar of vocational training courses and events was provided to every employee. A total of 365 WCB employees attended courses given by Vocational Training, 128 attended familiarization program sessions, and 1,150 went to "Let's Discuss It" luncheons.

A total of 286 WCB positions were posted by the division in 1979, and approximately 3,100 interviews regarding positions and related matters were conducted.



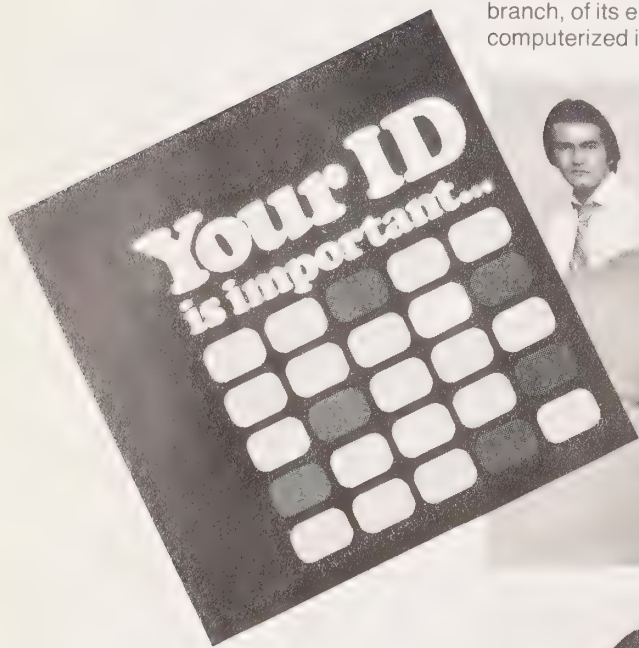
Administrative Resources Division

Greater efficiency and responsiveness marked administrative achievements in '79

The Administrative Resources Division was involved in several new projects during 1979 that increased the WCB's efficiency and made the Board more responsive to the needs of its clientele. Among them were:

- a new computerized claims registration and identification system which became fully operative in August, 1979;
- the development of a regular reporting system for re-opened claims so that their number and type are readily indicated;
- co-operation in a joint project between the revenue branch and the records management branch to convert firm files from hard-copy paper to microfiche. This conversion will continue to completion at the end of 1980;
- conversion, by the records management branch, of its employer card indices to a computerized index;
- the introduction of an employee identification badge system, so that persons not wearing ID's can be spotted readily as visitors and given speedy assistance;
- the initiation of "Project Access", whereby claimants can telephone their nearest WCB area office long distance without charge;
- improvement of comfort and safety at the Hospital and Rehabilitation Centre, through the introduction of air-conditioning in all patient wards and activity rooms, and the installation of such features as handrails in the halls and non-skid floors in shower areas;
- redesign of the visitor's information area at head office to provide a warm atmosphere and more private offices for claimants and counsellors.

Meanwhile, as part of its routine duties, Administrative Resources:



- handled more than 1,180,000 claims and medical accounts — an all-time record;
- responded to 540 separate requests for statistical information from outside agencies and from within the Board;
- produced 88 accident experience reports, as required under the Occupational Health and Safety Act, 1978 (under this Act the WCB must, on request from an interested party, provide a report summarizing a firm's accident and occupational disease record).

Documents handled by Claims identification and registration

	1978	1979	% Change
Identification			
Claims documents	320,127	309,153	— 3.4
Medical accounts	720,725	871,551	+20.9
New claims registered	424,609	460,972	+ 8.6

Documents handled by Firms identification and registration

	1978	1979	% Change
Claims	819,188	844,366	+ 3.1
Revenue	46,050	49,045	+ 6.5
New firm files	19,287	20,742	+ 7.5
Change firm name and address	17,122	23,509	+37.3

Claim file search program activity 1978/1979

	1978	1979	% Change
Telephone requests	166,000	243,688	+46.8
In-person enquiries (head office)	27,300	27,200	— .4
Total documents processed	3,701,300	3,778,500	+ 2.1

Mail room operations

	1978	1979	% Change
Incoming mail	4,600,000 pieces	5,200,000 pieces	+13.0
Outgoing mail	5,800,000 pieces	6,000,000 pieces	+ 3.4
Cheques mailed	1,290,000	1,350,000	+ 4.6



Receptionist in visitor information area assists claimant.

Legal Services Division

\$1,660,000 recovered

As the division responsible for engaging in litigation on behalf of the Board, Legal Services acts on behalf of injured employees who have chosen to subrogate to the Board their right of action against negligent third parties under Section 8 of the Workmen's Compensation Act.

In 1979, 309 such litigation files were opened. Settlements were obtained in 234 cases and \$1,660,000 in damages was recovered.

The Legal Services Division advises the Corporate Board and operating management on legal matters. It is responsible for assisting in the drafting of legislation and regulations and performing the function of appeals administrator for hearings under Section 15 of the Act.

Actuarial Services

Although the 1979 amendment increased future obligations by \$190 million, the accident fund gained relative strength

Building on the gains of the previous year, the financial condition of the Schedule 1 Accident Fund continued to improve in 1979 with net assets amounting to 80 percent of future obligations (compared to 78 percent in 1978), even though the 1979 amendments to the Workmen's Compensation Act increased future obligations by 10 percent, or \$190 million.

Meanwhile, the Board approved assessment rates for 1980 averaging \$1.67 per \$100 of assessable payroll, which is over 8

percent less than the 1979 average of \$1.82. Twenty-two assessment rates were increased, 9 remained constant and the remaining 77 were reduced. These assessment rates were set so as to make it possible to pay off each rate group's unfunded liability over a five-year period.

Actuarial Services also continued in 1979 to make progress with industry in the redesigning of the current voluntary experience rating plan.

Financial position better than ever

The Board's investment income continued to rise in 1979, reflecting the strong upward trend of recent years.

Income from investments amounted to \$120.5 million in 1979, versus \$105.2 million in 1978, an increase of 14 percent. The 1977 figure was \$69.8 million. Meanwhile, the running yield on the long term portfolio also continued to improve, from 9.18 percent for 1978 to 9.46 percent for 1979.

The increase in yield on the portfolio over the last few years can be attributed to higher interest rates on new investments, purchases of N.H.A. mortgages and on continued restructuring of the portfolio by selling low coupon bonds and reinvesting in higher interest bearing securities.

In other changes during the year:

- assessments rose to \$576 million, from \$539 million in 1978;

- the estimated payroll covered increased to \$30.6 billion, from \$27.5 billion the previous year;

- accident fund investments, valued at amortized cost adjusted for accumulated unamortized net losses, grew from \$1,243,300 in 1978 to \$1,351,100 at the end of 1979.

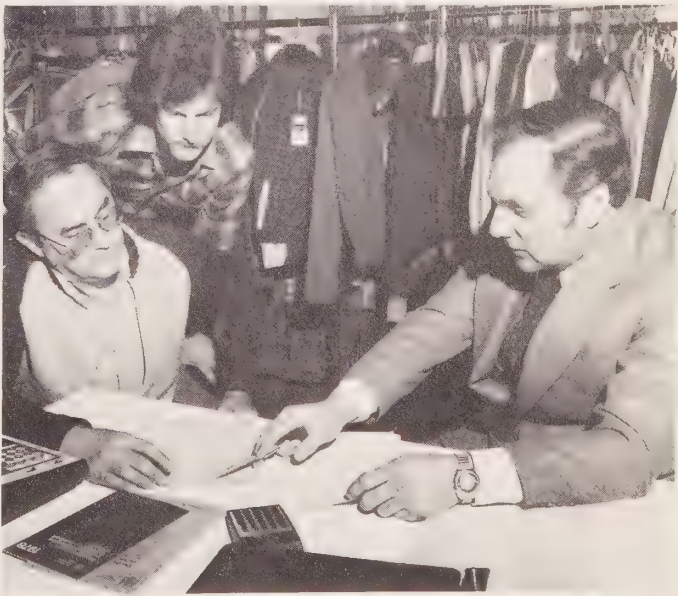
In keeping with the Board's concern for the escalation of employers' costs, a system of quarterly billing was instituted in 1979. Employers with payroll assessments in excess of \$500 annually may now pay in quarterly installments.

Work continued during the year on the revision of the experience rating plan, with further input invited from interested industry groups. The intent is to have assessments more accurately reflect employers' actual accident costs.

Changes in the Accident Fund Investment Portfolio, 1977-1979

Percentage of Total	End of 1977		
	End of 1977	End of 1978	End of 1979
Long term bonds	65.3%	70.2%	67.0%
Mortgages	13.0%	18.5%	22.7%
Short term securities	21.7%	11.3%	10.3%

WCB field auditors check records, explain WCB procedures and forms.





Compensator

Volume 7, Number 2, February 1979

WCB Credit Union meeting

Judged by any standard, the WCB Employees' Credit Union 25th anniversary was an outstanding success.



Bob Moorhead, president, 1978, accepts plaques from representatives of the Ontario Credit Union League and the Camis Insurance Company commemorating the 25th anniversary of the WCB Credit Union.

The celebration was held on the occasion of the annual meeting in the Head Office cafeteria on February 13. Of course there was a birthday cake (several of them as a matter of fact) and coffee for the 300 members who attended — the biggest turnout in recent years. But best of all was the present each member received from the Credit Union — a 9-1/4 per cent dividend on deposits and a rebate of 14 per cent on loan interest.

The dividend and rebate rates signified the healthy financial state of the CU and this was again reflected in the report of the credit committee which showed that 1,114 loans, for a total of over \$2 million, were made in 1978.

The CU now has 1,976 members and is, according to President Bob Moorhead, an association of people, not dollars.



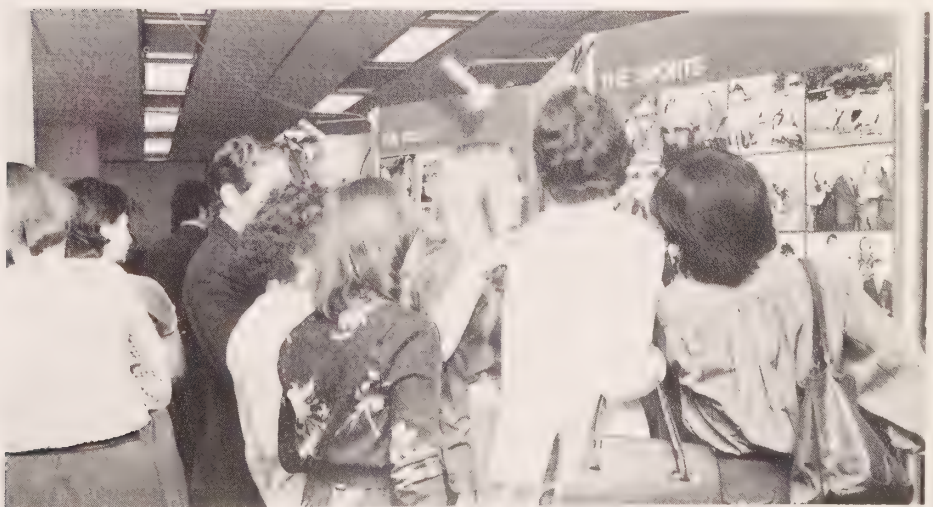
Workmen's
Compensation
Board

Inside:
Ethnic Communications
program 6

People are our most impor-
tant resource 7

Year of the Child 8

Two WCB institutions marked their 25th anniversary in 1979: the staff magazine, *Compensator*, and the WCB Employees' Credit Union. To celebrate, the Credit Union had coffee and birthday cake and a *Compensator* display featured 25 years of Board history in photos.



**Workmen's Compensation Board
Financial Statements and
Report on the Audit
Year ended December 31, 1979**

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Office of the
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2

To the Workmen's Compensation Board and
to the Minister of Labour.

The statement of financial position—Schedule 1 Accident Fund and Schedule 2 of Workmen's Compensation Board as at December 31, 1979 and the statement of income and unfunded liability—Schedule 1 Accident Fund for the year then ended have been examined. The examination was made under my direction by the auditor appointed by the Lieutenant Governor in Council and I have relied on the work and report of the auditor so appointed. The examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as were considered necessary in the circumstances including those necessary to rely on the work and report of the appointed auditor.

In my opinion these financial statements present fairly the financial position of the Board as at December 31, 1979 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario.
March 7, 1980.

F. N. Scott, F.C.A.,
Provincial Auditor.

**Consulting Actuary's Report on
the Valuation of the Actuarial
Liabilities of the Schedule I
Accident Fund of the Workmen's
Compensation Board of Ontario
as at December 31, 1979**

The estimated present value of future compensation, pension payments and medical aid under Schedule I on account of accidents that occurred on or before December 31, 1979 in the amount of \$1,990,000,000 has been computed by the Board's Staff Actuary in accordance with methods and assumptions approved by us. We believe that the assumptions made are appropriate for this valuation and the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for our purposes and consistent with the Board's financial statements.

In calculating the present value, no provision was made for potential future legislated amendments to The Workmen's Compensation Act. The methods and assumptions employed are substantially the same as those employed in the valuation as of December 31, 1978.

The estimated present value referred to above includes provision for retroactive payments resulting from the implementation of The Workmen's Compensation Amendment Act, 1979.

In our opinion, which includes the foregoing comments, the amount of \$1,990,000,000 as at December 31, 1979 makes reasonable provision for future compensation, pension payments and medical aid under Schedule I on account of accidents that occurred on or before December 31, 1979.



Samuel Eckler, F.S.A., F.C.I.A.



David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of Eckler,
Brown, Segal & Company Ltd.

March 7, 1980.

Statement of Financial Position
Schedule 1 Accident Fund and
Schedule 2
December 31, 1979

Assets	1979	((\$000's)	1978
Cash	4,394		1,712
Investments	1,351,140		1,243,279
Assets held for Schedule 2 employers — Page 6	7,242		4,764
Other assets	234,305		107,740
Land, buildings and equipment	19,066		18,779
Total assets	1,616,147		1,376,274
Liabilities			
Accounts payable and accrued charges	23,438		25,696
Net deposits by Schedule 2 employers — Page 6	7,242		4,764
Estimated present value of future payments to existing Schedule 1 claimants (Note 2)	1,990,000		1,730,000
Total liabilities	2,020,680		1,760,460
Unfunded Liability — Page 4	(404,533)		(384,186)

See accompanying notes.

On Behalf of the Board

Michael Stare

Chairman

[Signature]

Vice Chairman of
Administration

Statement of Income and
Unfunded Liability
Schedule 1 Accident Fund
Year Ended December 31, 1979

Income	1979	((\$000's)	1978
Assessments and penalties (net of uncollectible assessments 1979 — \$6,900; 1978 — \$13,200)	576,525		538,981
Investment income — net (Note 4)	120,512		105,222
Total income	697,037		644,203
Expenses			
Benefits — Page 7	644,569		590,685
Accident prevention — Page 8	15,277		13,484
Administration — Page 9	47,311		41,313
Medical and rehabilitation services	9,764		8,555
Mine rescue	463		492
Total expenses	717,384		654,529
Excess of expenses over income for the year	(20,347)		(10,326)
Unfunded liability, beginning of year	(384,186)		(373,860)
Unfunded liability, end of year	(404,533)		(384,186)

See accompanying notes.

Notes to Financial Statements
Year Ended December 31, 1979

1. Significant accounting policies

(a) Investments are carried at amortized cost for bonds and amortized cost less principal repayments for mortgages, each plus or minus the unamortized portion of losses or gains on sales. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment of future portfolio yield deferred on the statement of financial position and amortized over the lesser of the period to maturity of the security sold or 20 years. Short term investments are carried at cost.

(b) Fixed assets are recorded at cost and depreciated on a straight line basis at the following rates:

Buildings	2 1/2%
Roads	10%
Equipment	20%
Motor vehicles	25%
Leasehold improvements	10%

(c) Assessment income is determined on the basis of provisional payrolls reported by employers; at year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of the actual payrolls being greater than provisional.

(d) The Board has established assessment policies which are deemed to be sufficient to finance an unfunded liability which has been determined to exist as a result of making the provision for the estimated present value of future payments to existing Schedule 1 claimants. The estimated present value of future payments to existing Schedule 1 claimants is determined annually on the basis of actuarial valuations.

2. 1979 Legislative amendments

In 1979, the Legislature of Ontario approved amendments to The Workmen's Compensation Act substantially as follows:

- (i) an increase in existing permanent pension awards,
- (ii) an increase in future pension awards substantially relating to claims which occurred prior to July 1, 1979,
- (iii) a retroactive increase in pension payments, the amount of which will be paid during 1980 and
- (iv) an increase of temporary compensation awards to existing claimants.

The total cost of these amendments relating to Schedule 1 have been determined to be approximately \$190 million which is included in benefit expenses for the year and forms part of the amount of \$1,990 million relating to the estimated present value of future payments to existing Schedule 1 claimants as at December 31, 1979.

Notes to Financial Statements
Year Ended December 31, 1979

3. Supplementary financial position information

(a) Investments		1979	(\$000's)	1978
Bonds		900,121		869,841
Mortgages		305,122		229,634
		1,205,243		1,099,475
Unamortized portion of realized losses, net of gains, on sale of investments		7,011		2,419
		1,212,254		1,101,894
Short term		138,886		141,385
		1,351,140		1,243,279
(b) Other assets				
Accrued investment income		25,987		27,001
Accrued assessment income		45,000		30,000
Assessment and other receivables		163,270		50,503
Due from Schedule 2		-		137
Prepaid administration expenses		48		99
		234,305		107,740
(c) Land, buildings and equipment		1979	(\$000's)	1978
	Cost	Accumulated depreciation	Net book value	Net book value
Land	6,754	-	6,754	6,754
Building and road	9,487	3,875	5,612	4,370
Leasehold improvements	1,467	584	883	1,025
Equipment	8,542	3,306	5,236	6,138
Motor vehicles	940	359	581	492
	27,190	8,124	19,066	18,779
(d) Accounts payable and accrued charges		1979	(\$000's)	1978
Accounts payable and accrued charges		23,283		25,696
Due to Schedule 2		155		-
		23,438		25,696
4. Investment income		1979		1978
Investment income		121,593		105,556
Less: Amortization of losses, net of gains, on sale of investments		845		162
Investment administration expenses		236		172
		120,512		105,222

**Schedule 2 Assets and
Changes in Net Deposits
December 31, 1979**

Assets	1979	(\$000's)	1978
Cash	100		—
Investments	6,857		4,765
Accrued interest	116		110
Accounts receivable	14		26
Due from (to) Schedule 1 Accident Fund	155	(137)
Total assets	7,242		4,764
Changes in net deposits			
Reimbursements from employers	36,864		31,363
Investment income	552		406
	37,416		31,769
Deduct			
Benefits to workmen — Compensation	13,992		11,915
— Medical aid	6,914		6,416
— Rehabilitation	321		295
— Pensions	13,711		14,255
	34,938		32,881
Increase (decrease) in net deposits during year	2,478	(1,112)
Net deposits, beginning of year	4,764		5,876
Net deposits, end of year	7,242		4,764

**Schedule 1 Accident Fund —
Benefit Expenses
Year Ended December 31, 1979**

	1979	(\$000's)	1978
Payments during the year			
Compensation	209,053		184,397
Medical Aid	61,236		59,241
Rehabilitation	6,922		5,679
Pensions	108,598		112,188
	385,809		361,505
Less: Recovered from third parties	1,240		820
	384,569		360,685
Provision for increase (decrease) in estimated present value of future payments to existing Schedule 1 claimants:			
Current	70,000	(10,000)
Legislative amendments	190,000		240,000
	260,000		230,000
Total benefit expenses	644,569		590,685
The estimated present value of future payments to existing Schedule 1 claimants has changed during the year as follows:			
Balance, beginning of year	1,730,000		1,500,000
Provision for increase (as above)	260,000		230,000
Balance, end of year	1,990,000		1,730,000

**Schedule I Accident Fund
Accident Prevention Expenses
By Category and Safety Association
Year Ended December 31, 1979**

By Category	1979	(\$000's)	1978
Salaries and employees' benefits	8,396		7,715
Travel and vehicle maintenance	1,282		1,132
Supplies and services	323		273
Equipment rental and maintenance	78		62
Depreciation of equipment	114		98
Occupancy costs	721		657
Security services and insurance	27		26
Communications and publications	3,603		2,895
Miscellaneous	733		626
	15,277		13,484
By Safety Associations			
Construction Safety Association of Ontario	5,141		4,474
Electrical Utilities Safety Association of Ontario	654		670
Forest Products Accident Prevention Association	836		722
Farm Safety Association, Inc.	440		414
Hospital Accident Prevention	405		339
Industrial Accident Prevention Association	6,109		5,213
Mines Accident Prevention Association of Ontario	722		660
Ontario Pulp & Paper Makers Safety Association	274		270
Transportation Safety Association of Ontario	696		722
	15,277		13,484

**Schedule I Accident Fund —
Administration Expenses
Year Ended December 31, 1979**

	1979	(\$000's)	1978
Salaries and employees' benefits	46,957		41,580
Travel and vehicle maintenance	1,312		1,027
Supplies and services	1,756		1,144
Equipment rentals and maintenance	2,655		1,813
Depreciation of equipment	1,517		1,074
Occupancy costs — net	2,526		2,596
Security services and insurance	202		167
Data processing costs	253		451
Communications and publications	3,593		3,140
Chest examining station costs	441		444
Credit reports and legal expenses	450		386
Professional fees and services	321		291
Miscellaneous	1,106		1,011
	63,089		55,124
Less: Administration expenses charged to:			
Hospital and Rehabilitation Centre	100		100
Medical and Rehabilitation Services	9,764		8,555
Schedule 2	5,914		5,156
	15,778		13,811
Net charged to statement of income and unfunded liability Schedule I Accident Fund	47,311		41,313

**Workmen's Compensation Board
Superannuation Fund**

**Financial Statements and
Report on the Audit
Year ended December 31, 1979**

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Queen's Park
Toronto Ontario
M7A 1A2

To the Workmen's Compensation Board and
to the Minister of Labour.

The statement of net assets of Workmen's Compensation Board Superannuation Fund as at December 31, 1979 and the statement of transactions and fund balance for the year then ended have been examined. The examination was made under my direction by the auditor appointed by the Lieutenant Governor in Council and I have relied on the work and report of the auditor so appointed. The examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as were considered necessary in the circumstances including those necessary to rely on the work and report of the appointed auditor.

In my opinion these financial statements present fairly the financial position of the fund as at December 31, 1979 and the changes in fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

A handwritten signature in cursive script, appearing to read "F.N. Scott".

Toronto, Ontario,
March 7, 1980.

F.N. Scott, F.C.A.,
Provincial Auditor.

**Workmen's Compensation Board
Superannuation Fund
Statement of Net Assets
December 31, 1979**

Assets (Liabilities)	1979	((\$000's))	1978
Cash	940		78
Investments	82,408		73,036
Accrued investment income	1,298		1,229
(Accounts payable) accounts receivable	(640)		150
	84,006		74,493

See accompanying notes.

On Behalf of the Fund

Michael Otare

Chairman



Vice Chairman of
Administration

**Workmen's Compensation Board
Superannuation Fund
Statement of Transactions
and Fund Balance
Year Ended December 31, 1979**

	1979	((\$000's))	1978
Contributions received from:			
The Board and the Safety Associations	2,424		4,306
The employees of the Board and the Safety Associations	2,429		2,003
	4,853		6,309
Investment income (net)	7,412		5,715
	12,265		12,024
Deduct			
Pensions paid	2,340		1,667
Contributions plus interest refunded to staff	412		276
	2,752		1,943
Increase in the fund for the year	9,513		10,081
Fund balance, beginning of year	74,493		64,412
Fund balance, end of year	84,006		74,493

See accompanying notes.

**Workmen's Compensation Board
Superannuation Fund
Notes to Financial Statements
Year Ended December 31, 1979**

- Accounting policy**
Investments are carried at amortized cost for bonds, amortized cost less principal repayments for mortgages and cost for shares and short term paper.
- Supplementary statement of net assets information**

Investments	1979	((\$000's))	1978
Bonds	53,857		53,635
Mortgages	13,839		8,569
Equities	10,552		10,832
	78,248		73,036
Short term	4,160		—
	82,408		73,036

- Actuarial valuation**
The actuarial review of the Superannuation Fund as at January 1, 1978 revealed the Fund to be in a surplus position.

**Workmen's Compensation Board
offices are located throughout
Ontario.**

Toronto Head Office (416) 965-8722	2 Bloor Street East Toronto, Ont. M4W 3C3
Metro Toronto Information Centre (416) 965-8864	1382 St. Clair Avenue West Toronto, Ont. M6E 1C6
Hamilton (416) 523-1800	100 Main Street East Room 4103 Hamilton, Ont. L8N 3W6
Kingston (613) 544-9682	1055 Princess Street Room 303 Kingston, Ont. K7L 5T3
Kitchener/Waterloo (519) 576-4130	153 Frederick Street Kitchener, Ont. N2H 2M2
London (519) 433-2331	495 Richmond Street London, Ont. N6A 5A9
North Bay (705) 472-5200	189 Wyld Street North Bay, Ont. P1B 1Z2
Ottawa (613) 238-7851	350 Sparks Street Room 206 Ottawa, Ont. K1R 7S8
Sault Ste. Marie (705) 942-3002	421 Bay Street Room 205 Sault Ste. Marie, Ont. P6A 1X3
St. Catharines (416) 937-2020	282 Linwell Road Room 120 St. Catharines, Ont. L2N 6N5
Sudbury (705) 673-6701	30 Cedar Street Fifth Floor Sudbury, Ont. P3E 1A2
Thunder Bay (807) 623-4545	1265 Arthur Street East Room 101 Thunder Bay, Ont. P7E 6E7
Timmins (705) 267-6427	273 Third Avenue Room 204 Timmins, Ont. P4N 7H9
Windsor (519) 256-3461	787 Ouellette Avenue Windsor, Ont. N9A 4J4

Long-distance callers are now able to contact WCB offices free of charge. For new toll-free numbers, consult your local telephone directory.

